

Monthly Financial and Operations Report
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OFFICE OF THE CITY CONTROLLER

**CITY OF HOUSTON
INTEROFFICE CORRESPONDENCE**

To: Mayor Bill White
City Council Members

From: Annise D. Parker
City Controller

Date: September 29, 2006

Subject: August 2006 Financial Report

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2006.

GENERAL FUND

We are projecting a shortfall of \$22.8 million for fiscal 2007 or \$819 thousand less than the shortfall reported last month. The change is due to an adjustment in debt service interest to reflect the actual cost for the TRANS borrowing.

ENTERPRISE FUNDS

We are currently projecting the Aviation Operating Fund, Convention and Entertainment Facilities Operating Fund, Combined Utility System, and Stormwater Fund at budget.

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. At month-end, the ratio for each type of outstanding debt was:

General Obligation	20.9%
Combined Utility System	20.2%
Aviation	22.5%
Convention and Entertainment	28.1%

Respectfully submitted,



Annise D. Parker
City Controller



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: September 29, 2006

Subject: **AUGUST MONTHLY FINANCIAL AND
OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending August 31, 2006.

General Fund Revenues

The only change in our revenue projection for the general fund is for sales taxes. The sales tax receipts for July were \$3.7 million (12%) more than budgeted, and 14.3% more than last year's July receipts. As a result, we have increased our estimate for the year by \$3.7 million, and are projecting receipts for the remaining months of the fiscal year at budget.

General Fund Expenditures

Our projection for FY2007 General Fund expenditures has been decreased by \$819 thousand due to lower than budgeted interest expense for the FY2007 TRANS.

We budgeted \$7.4 million in the general fund as a contingency for unanticipated expenditures. Transfers from the contingency account are the following:

- To the election account, \$1 million.
- To the Houston Emergency Center, City Council, and Mayor's Office for property insurance costs, \$135,305. These costs had been budgeted in general government in prior years. When we changed the policy to include insurance costs in the departmental budgets these amounts were inadvertently overlooked.
- To the Finance & Administration for reverse auction costs, \$200,000. In prior years the reverse auction fees were charged to the departments based on the estimated amount of purchases that would be made. This required up to 20 separate accounting transactions for each reverse auction. In order to simplify this process, the reverse auction fees are now being charged directly to the Strategic Purchasing Division budget, in the Finance & Administration Department.

The balance in the contingency account is about \$6 million. When we prepared the FY07 budget, the two biggest concerns for potential cost increases were electricity and fuel costs. We now expect our electricity costs to be within budget. Fuel costs are still a concern. For the

first quarter gasoline and diesel prices have averaged more than the amounts budgeted, but the current prices are lower than the amounts budgeted, so that it is possible that we will not need to use the contingency budget for fuel costs.

The volume of calls to 3-1-1 has remained at the high level we experienced in FY06, much higher than FY05, and the average call wait time is more than three times our goal of 30 seconds. As a result, we will be adding positions for call takers and will transfer additional funds to the 3-1-1 budget from the contingency account, in the amount of \$125,000.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$171million, which is approximately 11.7% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be \$193 million.

Katrina Aid & Recovery Fund

The City's Katrina Housing assistance program is winding down with eligible evacuees moving from the City's public assistance program to FEMA individual assistance or assistance through FEMA-CLC. CLC is the contractor FEMA is utilizing to pay rents for eligible evacuees. FEMA has required that all eligible evacuees re-certify to continue housing assistance after October. To assist in this effort, the City is sponsoring re-certification/housing workshops as well as showing a re-certification video on the Municipal Channel. Additionally, KHOU has posted the video on their web site for the convenience of the public. FEMA has also funded utilities for eligible evacuees through December 2006.

FEMA has obligated an additional \$2.6 million for post-Rita debris removal and the cash reimbursement should be received in the next few weeks.

Please let me know if you have any questions.



Judy Gray Johnson, Director

General Fund
Comparative Projections
Controller's Office and Finance and Administration
For the period ended August 31, 2006
(amounts expressed in thousands)

	Unaudited Preliminary FY2006	FY2007				Variance between	
		Adopted Budget	Current Budget	% of Budget	Controller's Projection	F & A Projection	Controller and F&A
Revenues							
General Property Taxes	\$ 705,952	\$ 730,520	\$ 730,520	46%	\$ 722,515	\$ 730,520	8,005
Industrial Assessments	14,314	13,609	13,609	1%	13,830	13,609	(221)
Sales Tax	422,598	431,219	431,219	27%	435,489	434,939	(550)
Other Taxes	9,279	9,450	9,450	1%	9,450	9,450	0
Electric Franchise	97,274	99,058	99,058	6%	99,058	99,058	0
Telephone Franchise	50,167	45,600	45,600	3%	45,100	45,600	500
Gas Franchise	21,866	18,902	18,902	1%	18,902	18,902	0
Other Franchise	17,200	16,448	16,448	1%	16,057	16,448	391
Licenses and Permits	18,086	18,152	18,152	1%	18,000	18,152	152
Intergovernmental	26,989	34,691	34,691	2%	34,550	34,691	141
Charges for Services	41,833	45,376	45,376	3%	43,370	45,376	2,006
Direct Interfund Services	44,482	46,252	46,252	3%	46,252	46,252	0
Indirect Interfund Services	14,895	14,198	14,198	1%	14,198	14,198	0
Municipal Courts Fines and Forfeits	41,667	45,583	45,583	3%	45,000	45,583	583
Other Fines and Forfeits	3,482	2,144	2,144	0%	2,063	2,144	81
Interest	11,009	10,395	10,395	1%	11,000	10,395	(605)
Miscellaneous/Other	20,918	12,527	12,527	1%	13,000	12,527	(473)
Total Revenues	1,562,011	1,594,124	1,594,124	100%	1,587,834	1,597,844	10,010
Expenditures							
Affirmative Action	1,648	1,936	1,936	0%	1,936	1,936	0
Building Services	37,494	40,067	40,369	2%	40,369	40,369	0
City Council	4,390	4,501	4,502	0%	4,502	4,502	0
City Secretary	625	742	742	0%	742	742	0
Controller	5,856	6,347	6,347	0%	6,347	6,347	0
Convention & Entertainment	1,825	6,436	6,436	0%	6,436	6,436	0
Finance and Administration	19,486	24,328	24,217	1%	24,217	24,217	0
Fire	327,125	363,329	363,329	22%	363,329	363,329	0
Health and Human Services	44,554	47,920	47,890	3%	47,890	47,890	0
Housing and Community Dev.	0	518	518	0%	518	518	0
Houston Emergency Center	0	9,834	9,962	1%	9,962	9,962	0
Human Resources	2,401	2,565	2,565	0%	2,565	2,565	0
Information Technology	11,771	14,126	14,126	1%	14,126	14,126	0
Legal	11,030	13,410	13,410	1%	13,410	13,410	0
Library	29,408	33,438	33,438	2%	33,438	33,438	0
Mayor's Office	2,099	2,994	3,000	0%	3,000	3,000	0
Municipal Courts - Administration	16,742	14,366	14,366	1%	14,366	14,366	0
Municipal Courts - Justice	4,282	4,498	4,498	0%	4,498	4,498	0
Parks and Recreation	48,679	59,954	59,993	4%	59,993	59,993	0
Planning and Development	6,829	8,111	8,111	0%	8,111	8,111	0
Police	536,076	575,752	575,752	34%	575,752	575,752	0
Public Works and Engineering	78,388	89,144	89,144	5%	89,144	89,144	0
Solid Waste Management	68,520	71,528	71,528	4%	71,528	71,528	0
Total Departmental Expenditures	1,259,228	1,395,844	1,396,179	83%	1,396,179	1,396,179	0
General Government	109,512	72,576	72,241	4%	71,422	71,422	0
Total Expenditures Other Than Debt	1,368,740	1,468,420	1,468,420	88%	1,467,601	1,467,601	0
Debt Service Transfer	195,000	209,000	209,000	12%	209,000	209,000	0
Total Expenditures and Other Uses	1,563,740	1,677,420	1,677,420	100%	1,676,601	1,676,601	0
Net Current Activity	(1,729)	(83,296)	(83,296)		(88,767)	(78,757)	10,010
Amount Needed to Balance the Budget					22,817		
Transfers from other funds	177	2,950	2,950		2,950	2,950	
Pension Bond Proceeds	59,000	63,000	63,000		63,000	63,000	
Sale of Capital Assets	6,439	-	-		-	-	
Unreserved Fund Balance, Beginning of Year	142,112	205,999	205,999		205,999	205,999	
Unreserved Fund Balance, End of Year	\$ 205,999	\$ 188,653	\$ 188,653		\$ 205,999	\$ 193,192	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)		(2,070)	(2,070)	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)		(20,000)	(20,000)	
Undesignated Fund Balance, End of Year	\$ 183,929	\$ 166,583	\$ 166,583		\$ 183,929	\$ 171,122	

General Fund
Controller's Office
For the period ended August 31, 2006
(amounts expressed in thousands)

	FY2007							
	Unaudited Preliminary FY2006	Adopted Budget	Current Budget	Current Month	YTD	Controller's Projection	Variance from Current Budget	% Variance
Revenues								
General Property Taxes	\$ 705,952	\$ 730,520	\$ 730,520	\$ 6,318	\$ 11,696	\$ 722,515	\$ (8,005)	-1.1%
Industrial Assessments	14,314	13,609	13,609	1,118	2,268	13,830	221	1.6%
Sales Tax	422,598	431,219	431,219	31,847	62,687	435,489	4,270	1.0%
Other Taxes	9,279	9,450	9,450	(2,391)	64	9,450	0	0.0%
Electric Franchise	97,274	99,058	99,058	8,046	16,093	99,058	0	0.0%
Telephone Franchise	50,167	45,600	45,600	3,088	7,648	45,100	(500)	-1.1%
Gas Franchise	21,866	18,902	18,902	1,076	2,152	18,902	0	0.0%
Other Franchise	17,200	16,448	16,448	1,374	2,635	16,057	(391)	-2.4%
Licenses and Permits	18,086	18,152	18,152	1,585	2,604	18,000	(152)	-0.8%
Intergovernmental	26,989	34,691	34,691	99	248	34,550	(141)	-0.4%
Charges for Services	41,833	45,376	45,376	882	3,128	43,370	(2,006)	-4.4%
Direct Interfund Services	44,482	46,252	46,252	5,305	5,081	46,252	0	0.0%
Indirect Interfund Services	14,895	14,198	14,198	485	485	14,198	0	0.0%
Municipal Courts Fines and Forfeits	41,667	45,583	45,583	3,669	6,409	45,000	(583)	-1.3%
Other Fines and Forfeits	3,482	2,144	2,144	390	580	2,063	(81)	-3.8%
Interest	11,009	10,395	10,395	813	1,650	11,000	605	5.8%
Miscellaneous/Other	20,918	12,527	12,527	991	1,344	13,000	473	3.8%
Total Revenues	1,562,011	1,594,124	1,594,124	64,695	126,772	1,587,834	(6,290)	-0.4%
Expenditures								
Affirmative Action	1,648	1,936	1,936	139	258	1,936	0	0.0%
Building Services	37,494	40,067	40,369	4,192	5,083	40,369	0	0.0%
City Council	4,390	4,501	4,502	350	687	4,502	0	0.0%
City Secretary	625	742	742	53	105	742	0	0.0%
Controller	5,856	6,347	6,347	472	843	6,347	0	0.0%
Convention & Entertainment	1,825	6,436	6,436	240	405	6,436	0	0.0%
Finance and Administration	19,486	24,328	24,217	1,685	3,075	24,217	0	0.0%
Fire	327,125	363,329	363,329	30,672	59,463	363,329	0	0.0%
Health and Human Services	44,554	47,920	47,890	3,990	6,466	47,890	0	0.0%
Housing and Community Dev.	0	518	518	0	0	518	0	0.0%
Houston Emergency Center	0	9,834	9,962	7	7	9,962	0	0.0%
Human Resources	2,401	2,565	2,565	335	512	2,565	0	0.0%
Information Technology	11,771	14,126	14,126	2,099	2,824	14,126	0	0.0%
Legal	11,030	13,410	13,410	990	1,877	13,410	0	0.0%
Library	29,408	33,438	33,438	3,006	5,103	33,438	0	0.0%
Mayor's Office	2,099	2,994	3,000	380	506	3,000	0	0.0%
Municipal Courts - Administration	16,742	14,366	14,366	1,282	2,185	14,366	0	0.0%
Municipal Courts - Justice	4,282	4,498	4,498	394	736	4,498	0	0.0%
Parks and Recreation	48,679	59,954	59,993	5,460	9,635	59,993	0	0.0%
Planning and Development	6,829	8,111	8,111	607	1,116	8,111	0	0.0%
Police	536,076	575,752	575,752	51,485	97,653	575,752	0	0.0%
Public Works and Engineering	78,388	89,144	89,144	6,650	8,847	89,144	0	0.0%
Solid Waste Management	68,520	71,528	71,528	10,714	10,345	71,528	0	0.0%
Total Departmental Expenditures	1,259,228	1,395,844	1,396,179	125,202	217,731	1,396,179	0	0.0%
General Government	109,512	72,576	72,241	(670)	4,346	71,422	819	1.1%
Total Expenditures Other Than Debt	1,368,740	1,468,420	1,468,420	124,532	222,077	1,467,601	819	0.0%
Debt Service Transfer	195,000	209,000	209,000	0	0	209,000	0	0.0%
Total Expenditures and Other Uses	1,563,740	1,677,420	1,677,420	124,532	222,077	1,676,601	819	0.0%
Net Current Activity	(1,729)	(83,296)	(83,296)	(59,837)	(95,305)	(88,767)	(5,471)	
Amount Needed to Balance the Budget						22,817		
Transfers from other funds	177	2,950	2,950	0	-	2,950	0	
Pension Bond Proceeds	59,000	63,000	63,000	0	-	63,000	0	
Sale of Capital Assets	6,439	-	-	0	-	-	0	
Unreserved Fund Balance, Beg. of Year	142,112	205,999	205,999	205,999	205,999	205,999	0	
Unreserved Fund Balance, End of Year	205,999	188,653	188,653	146,162	110,694	205,999	(5,471)	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)	-	-	(2,070)	0	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	0	
Undesignated Fund Balance, End of Year	\$ 183,929	\$ 166,583	\$ 166,583	\$ 146,162	\$ 110,694	\$ 183,929	\$ 17,346	

General Fund
Finance and Administration
For the period ended August 31, 2006
(amounts expressed in thousands)

	FY2007							
	Unaudited Preliminary FY2006	Adopted Budget	Current Budget	Current Month	YTD	F & A Projection	Variance from Current Budget	% Variance
Revenues								
General Property Taxes	\$ 705,952	\$ 730,520	730,520	\$ 6,318	\$ 11,696	\$ 730,520	0	0.0%
Industrial Assessments	14,314	13,609	13,609	1,118	2,268	13,609	0	0.0%
Sales Tax	422,598	431,219	431,219	31,847	62,687	434,939	3,720	0.9%
Other Taxes	9,279	9,450	9,450	(2,391)	64	9,450	0	0.0%
Electric Franchise	97,274	99,058	99,058	8,046	16,093	99,058	0	0.0%
Telephone Franchise	50,167	45,600	45,600	3,088	7,648	45,600	0	0.0%
Gas Franchise	21,866	18,902	18,902	1,076	2,152	18,902	0	0.0%
Other Franchise	17,200	16,448	16,448	1,374	2,635	16,448	0	0.0%
Licenses and Permits	18,086	18,152	18,152	1,585	2,604	18,152	0	0.0%
Intergovernmental	26,989	34,691	34,691	99	248	34,691	0	0.0%
Charges for Services	41,833	45,376	45,376	882	3,128	45,376	0	0.0%
Direct Interfund Services	44,482	46,252	46,252	5,305	5,081	46,252	0	0.0%
Indirect Interfund Services	14,895	14,198	14,198	485	485	14,198	0	0.0%
Municipal Courts Fines and Forfeits	41,667	45,583	45,583	3,669	6,409	45,583	0	0.0%
Other Fines and Forfeits	3,482	2,144	2,144	390	580	2,144	0	0.0%
Interest	11,009	10,395	10,395	813	1,650	10,395	0	0.0%
Miscellaneous/Other	20,918	12,527	12,527	991	1,344	12,527	0	0.0%
Total Revenues	1,562,011	1,594,124	1,594,124	64,695	126,772	1,597,844	3,720	0.2%
Expenditures								
Affirmative Action	1,648	1,936	1,936	139	258	1,936	0	0.0%
Building Services	37,494	40,067	40,369	4,192	5,083	40,369	0	0.0%
City Council	4,390	4,501	4,502	350	687	4,502	0	0.0%
City Secretary	625	742	742	53	105	742	0	0.0%
Controller	5,856	6,347	6,347	472	843	6,347	0	0.0%
Convention & Entertainment	1,825	6,436	6,436	240	405	6,436	0	0.0%
Finance and Administration	19,486	24,328	24,217	1,685	3,075	24,217	0	0.0%
Fire	327,125	363,329	363,329	30,672	59,463	363,329	0	0.0%
Health and Human Services	44,554	47,920	47,890	3,990	6,466	47,890	0	0.0%
Housing and Community Dev.	0	518	518	0	0	518	0	0.0%
Houston Emergency Center	0	9,834	9,962	7	7	9,962	0	0.0%
Human Resources	2,401	2,565	2,565	335	512	2,565	0	0.0%
Information Technology	11,771	14,126	14,126	2,099	2,824	14,126	0	0.0%
Legal	11,030	13,410	13,410	990	1,877	13,410	0	0.0%
Library	29,408	33,438	33,438	3,006	5,103	33,438	0	0.0%
Mayor's Office	2,099	2,994	3,000	380	506	3,000	0	0.0%
Municipal Courts - Administration	16,742	14,366	14,366	1,282	2,185	14,366	0	0.0%
Municipal Courts - Justice	4,282	4,498	4,498	394	736	4,498	0	0.0%
Parks and Recreation	48,679	59,954	59,993	5,460	9,635	59,993	0	0.0%
Planning and Development	6,829	8,111	8,111	607	1,116	8,111	0	0.0%
Police	536,076	575,752	575,752	51,485	97,653	575,752	0	0.0%
Public Works and Engineering	78,388	89,144	89,144	6,650	8,847	89,144	0	0.0%
Solid Waste Management	68,520	71,528	71,528	10,714	10,345	71,528	0	0.0%
Total Departmental Expenditures	1,259,228	1,395,844	1,396,179	125,202	217,731	1,396,179	0	0.0%
General Government	109,512	72,576	72,241	(670)	4,346	71,422	819	1.1%
Total Expenditures Other Than Debt	1,368,740	1,468,420	1,468,420	124,532	222,077	1,467,601	819	0.1%
Debt Service Transfer	195,000	209,000	209,000	0	0	209,000	0	0.0%
Total Expenditures and Other Uses	1,563,740	1,677,420	1,677,420	124,532	222,077	1,676,601	819	0.0%
Net Current Activity	(1,729)	(83,296)	(83,296)	(59,837)	(95,305)	(78,757)	4,539	
Transfers from other funds	177	2,950	2,950	-	-	2,950	0	
Pension Bond Proceed	59,000	63,000	63,000	-	-	63,000	0	
Sale of Capital Assets	6,439	-	-	-	-	-	-	
Unreserved Fund Balance, Beg. of Year	142,112	205,999	205,999	205,999	205,999	205,999	0	
Unreserved Fund Balance, End of Year	205,999	188,653	188,653	146,162	110,694	193,192	4,539	
Designated for Sign Abatement	(2,070)	(2,070)	(2,070)	-	-	(2,070)	-	
Designated for Rainy Day Fund	(20,000)	(20,000)	(20,000)	-	-	(20,000)	-	
Undesignated Fund Balance, End of Year	\$ 183,929	\$ 166,583	\$ 166,583	\$ 146,162	\$ 110,694	\$ 171,122	\$ 4,539	

General Fund
General Government
For the period ended August 31, 2006
(amounts expressed in thousands)

	FY2007							
	Unaudited Preliminary FY2006	Adopted Budget	Current Budget	Current Month	YTD	YTD as % of Current Budget	Controller's Projection	F&A Projection
Non-Dept. Exp.and Other Uses								
General Government								
Pension-Civilian	0	0	0	0	0	0.0%	0	0
Insurance-Civilian (Active)	0	0	0	0	0	0.0%	0	0
Insurance-Civilian (Retirees)	18,100	19,412	19,412	1,573	3,147	16.2%	19,412	19,412
Pension-Police	0	0	0	0	0	0.0%	0	0
Insurance-Classified (Retirees)	24,103	0	0	7	13	0.0%	0	0
Long Term Disability	0	0	0	0	0	0.0%	0	0
Compensation Contingency	0	0	0	0	0	0.0%	0	0
Total Personnel Services	<u>42,203</u>	<u>19,412</u>	<u>19,412</u>	<u>1,580</u>	<u>3,160</u>	16.3%	<u>19,412</u>	<u>19,412</u>
Insurance Fees	1,516	0	0	0	0	0.0%	0	0
Accounting and Auditing Svcs	1,133	85	85	(69)	(69)	-81.2%	85	85
Advertising Svcs	122	225	225	44	44	19.6%	225	225
Legal Services	1,537	1,920	1,920	(68)	(68)	-3.5%	1,920	1,920
Management Consulting Svcs.	343	187	187	(40)	(47)	-25.1%	187	187
Misc Support Svcs	22	0	0	(6)	(6)	0.0%	0	0
Real Estate Lease	5,919	4,587	4,587	374	789	17.2%	4,587	4,587
Parking Space Rental	94	0	0	(93)	(93)	0.0%	0	0
METRO Commuter Passes	561	600	600	20	285	47.5%	600	600
Electricity	0	0	0	0	0	0.0%	0	0
Other Interfund Services	0	0	0	0	0	0.0%	0	0
Limited Purpose Annexation Pmts.	13,093	19,686	19,686	(1,403)	(23)	-0.1%	19,686	19,686
Print Shop Services	11	0	0	0	0	0.0%	0	0
Printing and Reproduction Svcs.	0	0	0	0	0	0.0%	0	0
Tax Appraisal Fees	5,045	5,141	5,141	0	0	0.0%	5,141	5,141
Tax Refunds	0	0	0	0	0	0.0%	0	0
Billing and Collection Svcs	750	0	0	311	311	0.0%	0	0
Elections	2,294	0	1,000	0	0	0.0%	1,000	1,000
Claims and Judgments	6,031	5,000	5,000	(1,343)	0	0.0%	5,000	5,000
Contingency/Reserve	0	7,361	6,026	0	0	0.0%	6,026	6,026
Zoo Contract	7,687	0	0	0	0	0.0%	0	0
Misc Other Services and Charges	2,248	1,188	1,188	14	(206)	-17.3%	1,188	1,188
Membership and Professional Fees	592	665	665	9	9	1.4%	665	665
Mgmt Initiative Savings	0	0	0	0	0	0.0%	0	0
Total Other Services and Charges	<u>48,998</u>	<u>46,645</u>	<u>46,310</u>	<u>(2,250)</u>	<u>926</u>	2.0%	<u>46,310</u>	<u>46,310</u>
Other Financing Uses								
Debt Service-Interest	4,992	6,188	6,188	0	260	4.2%	5,369	5,369
Transfers to TRANS Debt Service	0	0	0	0	0	0.0%	0	0
Transfers to Conv & Entertain	1,326	333	333	0	0	0.0%	333	333
Transfers to Special Revenues	8,270	0	0	0	0	0.0%	0	0
Transfers to Capital Projects	0	0	0	0	0	0.0%	0	0
Total Other Financing Uses	<u>14,588</u>	<u>6,521</u>	<u>6,521</u>	<u>0</u>	<u>260</u>	4.0%	<u>5,702</u>	<u>5,702</u>
Total General Government	<u><u>105,789</u></u>	<u><u>72,576</u></u>	<u><u>72,241</u></u>	<u><u>(670)</u></u>	<u><u>4,346</u></u>	<u><u>6.0%</u></u>	<u><u>71,422</u></u>	<u><u>71,422</u></u>

**KATRINA AID & RECOVERY
MONTHLY FINANCIAL REPORT
For the Period Ended August 31, 2006**

Amounts in Whole Dollars

RECOVERIES & REIMBURSEMENT	Received	Receivable	Total I-T-D Thru Aug'06	% of Total
FEMA Grants:				
Housing	\$258,454,518	\$19,701,611	\$278,156,129	94.1%
Non-Housing	\$13,366,031	\$614,130	\$13,980,161	4.7%
FEMA Grant Administration Fees:				
Housing	\$202,555	\$1,204,476	\$1,407,031	0.5%
Non-Housing	\$77,726	\$11,924	\$89,650	0.0%
Subtotal FEMA Reimbursements	\$272,100,830	\$21,532,141	\$293,632,971	99.3%
Interest Income on Pooled Investments	\$1,060,642	\$0	\$1,060,642	0.4%
Contributions from Others	\$1,030,050	\$0	\$1,030,050	0.3%
TOTAL RECEIPTS	\$274,191,522	\$21,532,141	\$295,723,663	100.0%

EXPENDITURES - HOUSING	Actual Paid Inception to Date	Other Expended/ Incurred (A)	Total I-T-D Thru Aug'06	% of Total
Direct Assistance - Housing				
Rent	\$148,394,650	\$5,554,967	\$153,949,616	56.1%
Utilities	\$23,613,434	\$14,824,727	\$38,438,161	14.0%
Furniture	\$36,734,508	\$0	\$36,734,508	13.4%
Household Goods	\$1,227,470	\$0	\$1,227,470	0.4%
Subtotal Direct Assistance	\$209,970,062	\$20,379,694	\$230,349,756	83.9%
Program Delivery & Management	\$35,216,747	\$8,106,628	\$43,323,375	15.8%
Other Materials & Services	\$722,618	\$0	\$722,618	0.3%
Total Housing Expenses	\$248,909,427	\$28,486,322	\$274,395,748	100.0%
EXPENDITURES - NON HOUSING				
City Dept Personnel Costs				
City Personnel - Labor & Benefits (S/T)	\$182,020	\$0	\$182,020	0.9%
City Personnel - Labor & Benefits (O/T)	\$12,886,338	\$0	\$12,886,338	60.2%
Subtotal City Personnel	\$13,068,358	\$0	\$13,068,358	61.1%
Other City Dept Costs				
Materials & Supplies	\$236,589	\$0	\$236,589	1.1%
Force Equipment	\$180,034	\$0	\$180,034	0.8%
Rentals - Equipment & Other	\$420,956	\$0	\$420,956	2.0%
Contract Services	\$6,347,650	\$0	\$6,347,650	29.7%
Professional Services (incl PW Admin)	\$918,919	\$220,589	\$1,139,508	5.3%
Subtotal Other:	\$8,104,148	\$220,589	\$8,324,737	38.9%
Total Non Housing Expenses	\$21,172,507	\$220,589	\$21,393,096	100.0%
Grand Total Housing & Non Housing	\$267,081,933	\$28,706,911	\$295,788,844	

Excess (deficiency) of FEMA reimbursements over expenses	(\$65,181)
Other Receipts and Sources of Funding	
Advance from Fund 405	\$10,000,000
Subtotal Other Sources of Funding	\$10,000,000
Excess (deficiency) of FEMA reimbursements and other funding sources over expenses	\$9,934,819

REFERENCES

(A) Includes expenses through month end that have been invoiced and not yet paid, and expenses incurred that have not yet been invoiced

Aviation Operating Fund
For the period ended August 31, 2006
(amounts expressed in thousands)

	Unaudited Preliminary FY2006	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Landing Area	\$ 102,689	\$ 112,952	\$ 112,952	18,406	\$ 112,952	\$ 112,952
Bldg and Ground Area	180,252	195,251	195,251	31,381	195,251	195,251
Parking and Concession	108,631	112,605	112,605	21,806	112,605	112,605
Other	3,463	3,000	3,000	291	3,000	3,000
Total Operating Revenues	<u>395,035</u>	<u>423,808</u>	<u>423,808</u>	<u>71,884</u>	<u>423,808</u>	<u>423,808</u>
Operating Expenses						
Personnel	84,158	86,503	86,503	13,674	86,503	86,503
Supplies	6,645	8,473	8,465	791	8,465	8,465
Services	116,999	135,557	135,565	15,647	135,565	135,565
Non-Capital Outlay	445	1,463	1,463	25	1,463	1,463
Total Operating Expenses	<u>208,247</u>	<u>231,996</u>	<u>231,996</u>	<u>30,137</u>	<u>231,996</u>	<u>231,996</u>
Operating Income (Loss)	<u>186,788</u>	<u>191,812</u>	<u>191,812</u>	<u>41,747</u>	<u>191,812</u>	<u>191,812</u>
Nonoperating Revenues (Expenses)						
Interest Income	17,742	18,500	18,500	3,325	18,500	18,500
Other	1,454	0	0	31	31	31
Other Financing Sources - Pension Bonds	0	0	0	0	0	0
Total Nonoperating Rev (Exp)	<u>19,196</u>	<u>18,500</u>	<u>18,500</u>	<u>3,356</u>	<u>18,531</u>	<u>18,531</u>
Income (Loss) Before Operating Transfers	<u>205,984</u>	<u>210,312</u>	<u>210,312</u>	<u>45,103</u>	<u>210,343</u>	<u>210,343</u>
Operating Transfers						
Interfund Transfer - Oper Reserve	4,421	4,772	4,772	0	4,772	4,772
Debt Service Principal	33,362	33,385	33,385	5,564	33,385	33,385
Debt Service Interest	65,499	98,029	98,029	17,883	98,029	98,029
Renewal and Replacement	0	7,000	7,000	0	7,000	7,000
Capital Improvement	88,737	67,126	67,126	15,788	67,157	67,157
Total Operating Transfers	<u>192,019</u>	<u>210,312</u>	<u>210,312</u>	<u>39,235</u>	<u>210,343</u>	<u>210,343</u>
Net Income (Loss)						
Operating Fund Only	<u>\$ 13,965</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>5,868</u>	<u>\$ 0</u>	<u>\$ 0</u>

About the Fund:

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

Convention and Entertainment Facilities Operating Fund
For the period ended August 31, 2006
(amounts expressed in thousands)

	Unaudited	FY2007				
	Preliminary FY2006	Adopted Budget	Current Budget	YTD	Controllers Projection	F & A Projection
Operating Revenues						
Facility Rentals	\$ 6,544	\$ 6,041	\$ 6,041	\$ 616	\$ 6,041	\$ 6,041
Parking	9,033	9,673	9,673	498	9,673	9,673
Food and Beverage Concessions	3,920	3,768	3,768	137	3,768	3,768
Contract Cleaning	260	250	250	20	250	250
Total Operating Revenues	<u>19,757</u>	<u>19,732</u>	<u>19,732</u>	<u>1,271</u>	<u>19,732</u>	<u>19,732</u>
Operating Expenses						
Personnel	7,639	8,073	8,073	1,354	8,073	8,073
Supplies	633	1,066	1,350	49	1,350	1,350
Services	22,899	29,654	29,647	978	29,647	29,647
Total Operating Expenses	<u>31,171</u>	<u>38,793</u>	<u>39,070</u>	<u>2,381</u>	<u>39,070</u>	<u>39,070</u>
Operating Income (Loss)	<u>(11,414)</u>	<u>(19,061)</u>	<u>(19,338)</u>	<u>(1,110)</u>	<u>(19,338)</u>	<u>(19,338)</u>
Nonoperating Revenues (Expenses)						
Hotel Occupancy Tax						
Current	53,512	47,000	47,000	13,189	47,000	47,000
Delinquent	1,253	1,000	1,000	306	1,000	1,000
Advertising Services	(10,350)	(11,270)	(11,270)	0	(11,270)	(11,270)
Promotion Contracts	(8,550)	(9,310)	(9,310)	0	(9,310)	(9,310)
Contracts/Sponsorships	(2,018)	(2,100)	(2,100)	0	(2,100)	(2,100)
Net Hotel Occupancy Tax	<u>33,847</u>	<u>25,320</u>	<u>25,320</u>	<u>13,495</u>	<u>25,320</u>	<u>25,320</u>
Interest Income	1,540	1,525	1,525	304	1,525	1,525
Capital Outlay	(1,028)	(2,170)	(2,256)	(487)	(1,886)	(1,886)
Non-Capital Outlay	(103)	(160)	(167)	(1)	(167)	(167)
Other Interest	(880)	(2,300)	(2,300)	(201)	(2,300)	(2,300)
Other	4,332	2,601	2,601	(65)	2,601	2,601
Other Financing Sources - Pension Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Rev (Exp)	<u>37,708</u>	<u>24,816</u>	<u>24,723</u>	<u>13,045</u>	<u>25,093</u>	<u>25,093</u>
Income (Loss) Before Operating Transfers	<u>26,294</u>	<u>5,755</u>	<u>5,385</u>	<u>11,935</u>	<u>5,755</u>	<u>5,755</u>
Operating Transfers						
Transfers for Interest	7,138	8,271	7,901	0	8,271	8,271
Transfers for Principal	7,230	8,300	8,300	0	8,300	8,300
Interfund Transfers Out	11	0	0	0	0	0
Miller Outdoor Theater Transfer	(1,000)	(1,137)	(1,137)	0	(1,137)	(1,137)
Transfers to(from) Special	0	(2,000)	(2,000)	0	(2,000)	(2,000)
Total Operating Transfers	<u>13,379</u>	<u>13,434</u>	<u>13,064</u>	<u>0</u>	<u>13,434</u>	<u>13,434</u>
Net Income (Loss)						
Operating Fund Only	<u>\$ 12,915</u>	<u>\$ (7,679)</u>	<u>\$ (7,679)</u>	<u>\$ 11,935</u>	<u>\$ (7,679)</u>	<u>\$ (7,679)</u>

About the Fund:

The Convention and Entertainment Facilities operating fund is an enterprise fund that accounts for the operation of the City's six major entertainment centers and City-owned parking garages. These centers include the following: Jesse H. Jones Hall; Bayou Place; Houston Center for The Arts; Gus S. Wortham Center; George R. Brown Convention Center and the Tranquility Park and Civic Center garages.

Combined Utility System Fund
For the period ended August 31, 2006
(amounts expressed in thousands)

	FY2006 Unaudited	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 334,052	\$ 334,137	\$ 334,137	\$ 57,895	\$ 334,137	\$ 334,137
Sewer Sales	310,373	312,645	312,645	52,911	312,645	312,645
Penalties	5,085	4,996	4,996	629	4,996	4,996
Other	4,605	4,349	4,349	815	4,349	4,349
Total Operating Revenues	<u>654,115</u>	<u>656,127</u>	<u>656,127</u>	<u>112,250</u>	<u>656,127</u>	<u>656,127</u>
Operating Expenses						
Personnel	116,655	131,844	131,844	20,396	131,844	131,844
Supplies	32,466	30,603	30,603	3,825	30,603	30,603
Electricity and Gas	65,552	76,818	76,818	6,663	76,818	76,818
Contracts & Other Payments	96,860	93,746	93,746	36,543	93,746	93,746
Non-Capital Equipment	1,314	1,436	1,436	69	1,436	1,436
Total Operating Expenses	<u>312,847</u>	<u>334,447</u>	<u>334,447</u>	<u>67,496</u>	<u>334,447</u>	<u>334,447</u>
Operating Income (Loss)	<u>341,268</u>	<u>321,680</u>	<u>321,680</u>	<u>44,754</u>	<u>321,680</u>	<u>321,680</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,571	17,283	17,283	2,881	17,283	17,283
Sale of Property, Mains and Scrap	5,357	1,129	1,129	67	1,129	1,129
Other	9,122	7,706	7,706	1,130	7,706	7,706
Other Financing Sources - Pension Bond	0	0	0	0	0	0
Gain on escrow restructure	0	0	0	0	0	0
Gross Revenue Contrib. from Water Auth.	0	0	0	0	0	0
Impact Fees	15,558	17,519	17,519	0	17,519	17,519
CIP Salary Recovery	0	0	0	0	0	0
HAWC	(6,242)	(9,077)	(9,077)	(1,509)	(9,077)	(9,077)
CWA & TRA Contracts (P & I)	<u>(32,219)</u>	<u>(32,875)</u>	<u>(32,875)</u>	<u>(8,833)</u>	<u>(32,875)</u>	<u>(32,875)</u>
Total Nonoperating Rev (Exp)	<u>7,147</u>	<u>1,685</u>	<u>1,685</u>	<u>(6,264)</u>	<u>1,685</u>	<u>1,685</u>
Income (Loss) Before Operating Transfers	<u>348,415</u>	<u>323,365</u>	<u>323,365</u>	<u>38,490</u>	<u>323,365</u>	<u>323,365</u>
Operating Transfers						
Debt Service Transfer	223,226	260,725	260,725	18,884	260,725	260,725
Transfer to PIB - Water & Sewer	26,257	24,604	24,604	4,900	24,604	24,604
Discretionary Debt	4,912	4,566	4,566	0	4,566	4,566
Equipment Acquisition	8,645	16,684	16,684	131	16,684	16,684
Transfer to Stormwater	31,300	34,837	34,837	5,806	34,837	34,837
Total Operating Transfers	<u>294,340</u>	<u>341,416</u>	<u>341,416</u>	<u>29,721</u>	<u>341,416</u>	<u>341,416</u>
Net Current Activity						
Operating Fund Only	<u>\$ 54,075</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</u>	<u>\$ 8,769</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</u>

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.

Stormwater Fund
For the period ending August 31, 2006
(amounts expressed in thousands)

	FY2006 Unaudited	FY2007				F&A Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Revenues						
Other Interfund Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous	\$ 248	\$ 70	\$ 70	\$ 1	\$ 70	\$ 70
Total Revenues	<u>248</u>	<u>70</u>	<u>70</u>	<u>1</u>	<u>70</u>	<u>70</u>
Expenditures						
Personnel	16,099	18,974	18,974	2,718	18,974	18,974
Supplies	2,147	1,758	1,758	190	1,758	1,758
Other Services	11,714	12,409	12,409	159	12,302	12,302
Capital Outlay	3,101	2,721	2,721	1,497	1,501	1,501
Total Expenditures	<u>33,061</u>	<u>35,862</u>	<u>35,862</u>	<u>4,564</u>	<u>34,535</u>	<u>34,535</u>
Other Financing Sources (Uses)						
Interest Income	79	100	100	29	100	100
Operating Transfers In	31,300	34,837	34,837	5,806	34,837	34,837
Operating Transfers Out	(545)	(3,521)	(3,521)	(35)	(3,521)	(3,521)
Total Other Financing Sources (Uses)	<u>30,834</u>	<u>31,416</u>	<u>31,416</u>	<u>5,800</u>	<u>31,416</u>	<u>31,416</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	(1,979)	(4,376)	(4,376)	1,237	(3,049)	(3,049)
Pension Bond Proceeds						
	1,000	0	0	0	0	0
Fund Balance, Beginning of Year	<u>4,028</u>	<u>4,376</u>	<u>4,376</u>	<u>3,049</u>	<u>3,049</u>	<u>3,049</u>
Fund Balance, End of Year	<u>\$ 3,049</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,286</u>	<u>\$ 0</u>	<u>\$ 0</u>

The Stormwater Fund provides for the maintenance and repair of streets, rights-of-way and drainage infrastructure, such as storm sewers and roadside ditches. The City undertook a major restructuring of its water, sewer and drainage financing at the end of FY2004. This restructuring created a new Combined Utility System with the capacity to transfer funds from its surplus amounts to the Stormwater Fund to support stormwater drainage operations and maintenance.

Note: The Stormwater Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

City of Houston, Texas
Commercial Paper Issued and Available
August 31, 2006
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY07	Draws Month	Refunded FY07	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<i>(Series A & B)</i>					
<i>Public Improvement Bonds</i>	\$ 6.00	\$ 0.00	\$ 0.00	\$ 6.60	\$ 136.40
<i>(Series D)</i>	25.00	25.00	0.00	210.00	290.00
<i>(Series E)</i>					
<i>Equipment</i>	10.00	0.00	0.00	46.43	80.27
<i>Metro Street Projects</i>	0.00	0.00	(3.80)	71.52	18.49
<i>Cotswold Project</i>	0.00	0.00	0.00	0.91	3.10
<i>West Eleventh Street Park</i>	0.00	0.00	0.00	4.07	0.03
<i>Friends of Libraries</i>	0.00	0.00	0.00	0.20	0.00
<i>(Series F) Drainage</i>	0.00	0.00	(4.30)	90.30	49.20
Total General Obligation	41.00	25.00	(8.10)	430.02	577.48
Combined Utility System	0.00	0.00	(35.00)	708.20	191.80
<i>(Series A)</i>					
Airport System	3.50	3.50	0.00	237.50	62.50
<i>(Series A,B, & C)</i>					
Convention & Entertainment	1.00	1.00	0.00	51.50	23.50
<i>(Series A)</i>					
Totals	\$ <u>45.50</u>	\$ <u>29.50</u>	\$ <u>(43.10)</u>	\$ <u>1,427.22</u>	\$ <u>855.28</u>

City of Houston, Texas
Summarized Construction/Bond Fund Status Report
Estimated
For the period ended August 31, 2006
(amounts expressed in thousands)

Purpose	Available for Appropriation
Dangerous Buildings	
Total Dangerous Buildings Funds	\$ 230
Equipment Acquisition	
Total Equipment Acquisition Funds	6,641
Public Improvement	
Total Fire Department	3,069
Total Housing	1,498
Total General Improvement	5,064
Total Public Health and Welfare	1,499
Total Public Library	6,021
Total Parks and Recreation	7,247
Total Police Department	5,934
Total Solid Waste	1,835
Total Storm Sewer	9,422
Total Street & Bridge	57,244
Street & Bridge - Metro Projects	24,673
Total Public Improvement	123,507
Airport	
Total Airport	502,565
Convention and Entertainment Facilities	
Total Convention and Entertainment	33,880
Combined Utility System	
Total Combined Utility System - Any Purpose	112,346
Combined Utility System - Restricted Purposes	138,095
Total Combined Utility System	250,441
Total All Purposes	\$ 917,265

City of Houston, Texas
Total Outstanding Debt
August 31, 2006 and August 31, 2005
(amounts expressed in thousands)

	August 31, 2006	August 31, 2005
Payable from Ad Valorem Taxes		
Public Improvement Bonds (a)	\$ 1,658,020	\$ 1,654,545
GO Commercial Paper Notes (b)	577,475	478,700
Pension Obligations	437,608	357,165
Certificates of Obligations (c)	81,401	28,288
Assumed Bonds	10,835	11,650
Subtotal	2,765,339	2,530,348
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	3,547,080	3,029,170
Combined Utility System Commercial Paper Notes (d)	191,800	200,000
Water and Sewer System Revenue Bonds (e)	799,832	1,033,433
Airport System		
Airport System Revenue Bonds	2,119,770	2,148,055
Airport System Sr. Lien Commercial Paper Notes (f)	62,500	48,500
Airport System Inferior Lien Contracts (g)	53,360	56,810
Airport Special Facilities Revenue Bonds (h)	592,650	594,380
Hotel Occupancy Tax and Civic Parking		
Facilities Revenue Bonds (i)	594,050	607,730
Hotel Occupancy Tax Commercial Paper (j)	23,500	22,500
Contract Revenue Obligations - CWA, HAWC, TRA	354,400	375,270
Subtotal	8,338,942	8,115,848
Total Debt Payable by the City	\$ 11,104,281	\$ 10,646,196

- (a) Tax bonds authorized by voters in 1997 but unissued total \$6.6 million, which has been authorized as commercial paper but not yet drawn (Series A&B). In November 2001 the voters authorized \$776 million in tax bonds, including \$210 million authorized as commercial paper but not yet drawn (Series D) and \$276 million not yet authorized as commercial paper.
- (b) The City has authorized maximum issuance of General Obligation Commercial Paper Programs Series A: \$117.2 million, B: \$25.8 million, D: \$500.0 million, E: \$225.0 million, and F: \$139.5 million. As of the date above, these amounts were outstanding: Series A: \$115.9 million, B: \$20.5 million, D: \$290.0 million, E: \$101.875 million, and F: \$49.2 million.
- (c) Excludes \$1.8 million accreted value of capital appreciation certificates, or 2.2% of face value as of this date.
- (d) The City has authorized issuance of \$900 million Combined Utility System Commercial Paper Notes.
- (e) Excludes \$169.4 million accreted value of capital appreciation bonds, or 21.8% of face value as of this date.
- (f) City Council has authorized \$150 million Airport Senior Lien Commercial Paper Notes Series A and B and \$150 million Inferior Lien Commercial Paper Notes Series C.
- (g) Under a sublease agreement, the City has agreed to make sublease payments that include the debt service payments on the Series 1997A Special Facilities Bonds that financed the Automated People Mover ("APM") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.
- (h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$56,810,000 for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Excludes \$39.0 million accreted value of capital appreciation bonds, or 6.6% of face value as of this date.
- (j) The City has authorized \$75 million Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

CITY OF HOUSTON

**PENSION FUND PAYMENTS AND
UNFUNDED LIABILITY SUMMARY**

8/31/2006

PAYMENTS

	FY06 Actual (\$1,000)	FY 07			Year to Date (\$1,000)
		City Payment Rate	Employee Payment Rate	Annual Payment (\$1,000)	
Firefighters Plan					
General Fd. & Other Fds.	48,738	23.8%	9.0%	50,897	9,131
Pension Bonds	<u>0</u>			<u>0</u>	<u>0</u>
Total Firefighters Plan	<u>48,738</u>			<u>50,897</u>	<u>9,131</u>
Police Plan					
General Fd. & Other Fds.	23,000	Note 1	9.0%	28,000	8,775
Pension Bonds	<u>30,000</u>			<u>30,000</u>	<u>0</u>
Total Police Plan	<u>53,000</u>			<u>58,000</u>	<u>8,775</u>
Municipal Plan					
General Fund	4,934	Note 2	5.0%	2,849	891
Other Funds	31,066	Note 2	5.0%	36,151	11,300
Pension Bonds	<u>33,000</u>			<u>33,000</u>	<u>0</u>
Total Municipal Plan (Note 2)	<u>69,000</u>			<u>72,000</u>	<u>12,191</u>
Total All Three Plans	<u><u>170,738</u></u>			<u><u>180,897</u></u>	<u><u>30,097</u></u>

UNFUNDED ACCRUED LIABILITY AND FUNDED STATUS

	<u>Date of Most Recent Valuation or Estimate</u>	<u>Unfunded Accrued Liability (\$ millions)</u>	<u>Assets as % of Liabilities</u>
Firefighters Plan	7/1/2005	341.9	86%
Police Plan	7/1/2004	873.2	74%
Municipal Plan	7/1/2005	947.6	65%

Note 1: City contribution based on Meet and Confer Agreement with Houston Police Officers Pension System

Note 2: City contribution based on Meet and Confer Agreement with Houston Municipal Employees Pension System

**CITY OF HOUSTON PERFORMANCE REPORT
FOR THE MONTH ENDING August 31, 2006 (16.67% OF FISCAL YEAR)**

Department Performance Measure	FY2006			FY2007		
	Actual	YTD	% Actual	Objective	YTD	% Objective
AFFIRMATIVE ACTION						
Applications Processed	1,536	335	21.8%	1,500	241	16.1%
Days to Process New Applicants	24	23	95.8%	30	10	300.0%
Field Audits	1,119	183	16.4%	1,500	180	12.0%
Payrolls Audited	6,683	1,005	15.0%	10,000	1,944	19.4%
SBE/MWDBE Owners Trained	6,527	280	4.3%	4,220	198	4.7%
City Employees Trained	3,971	324	8.2%	3,000	492	16.4%
MOPD Citizens Assistance Request	4,864	794	16.3%	3,000	900	30.0%
OSBC Getting Started Packets Distributed	7,551	1,371	18.2%	7,500	1,517	20.2%
MWBE Monitoring Correspondence	221,023	30,210	13.7%	125,000	43,684	34.9%
AVIATION						
Passenger Enplanements	45,454,000	9,013,000	19.8%	51,152,000	9,217,000	N/A
Cargo Tonnage	713,920,000	125,500,000	17.6%	793,251,000	132,969,000	N/A
Cost per Enplanement	\$8.24	6.72	81.6%	< \$8.40	\$6.56	78.1%
Non-Airline Revenue/Enplaned Passenger (\$)	N/A New Performance Measure for FY07			>\$4.55	\$4.77	104.8%
Maintain fleet in service ratio of 99%	N/A New Performance Measure for FY07			99%	99%	100.0%
BUILDING SERVICES						
Design & Construction						
Days to Issue Notice to Proceeds (NTP)	30.0	30.0	100.0%	30	30.0	100.0%
Property Mgmt. (Work Orders Compl.)	28,109	4,203	15.0%	32,000	7,480	23.4%
Security Management						
Number or Reported Incidents Investigated upon Receipts	756	124	16.4%	500	151	30.2%
CONVENTION & ENTERTAINMENT FACILITIES						
Days Booked-GRB Convention Center	2,574	993	38.6%	2,508	348	13.9%
Days Booked-Wortham Theatre Center	491	7	1.4%	525	11	2.1%
Days Booked-Jones Hall	315	1	0.3%	300	2	0.7%
Occupancy Days-GRB Convention Center	1,931	153	7.9%	2,000	235	11.8%
Occupancy Days-Wortham Theatre Center	527	32	6.1%	521	45	8.6%
Occupancy Days-Jones Hall	239	14	5.9%	247	15	6.1%
Occupancy Days-Theatre District Parks Hall	151	11	7.3%	153	8	5.2%
Customer Satisfaction (Periodic)-GRB Convention Center	88.6%	89.1%	100.6%	98.0%	92.0%	93.9%
Customer Satisfaction (Periodic)-Wortham Theatre Center	92.8%	89.9%	96.9%	94.0%	96.7%	102.9%
Customer Satisfaction (Periodic)-Jones Hall	97.9%	100.0%	102.1%	95.0%	96.7%	101.8%
Customer Satisfaction (Periodic)-Houston Center	N/A	96.5%	N/A	N/A	N/A	N/A
Customer Satisfaction (Periodic)- Fannin Garage	46.0%	46.0%	N/A	75.0%	0.0%	0.0%
Customer Satisfaction (Periodic)-Theater District Parking	N/A	N/A	N/A	73.0%	0.0%	0.0%
FINANCE & ADMINISTRATION						
Avg Days to Award Procurement Contracts	113	105	NA	130	77	N/A
3-1-1 Avg Time Customer in Queue (seconds)	86.79	39.25	NA	30.00	109.05	N/A
Liens Collections	\$4,032,409	\$677,061	16.8%	\$2,700,000	\$507,683	18.8%
Ambulance Revenue per Transport	\$169.48	\$209.43	123.6%	\$200.00	\$183.32	91.7%
Cable Company Complaints	1,819	173	9.5%	1,182	58	4.9%
Deferred Compensation Participation	70.78%	71.55%	NA	75.00%	67.83%	N/A
Audits Completed	12	2	16.7%	24	1	4.2%

**CITY OF HOUSTON PERFORMANCE REPORT
FOR THE MONTH ENDING August 31, 2006 (16.67% OF FISCAL YEAR)**

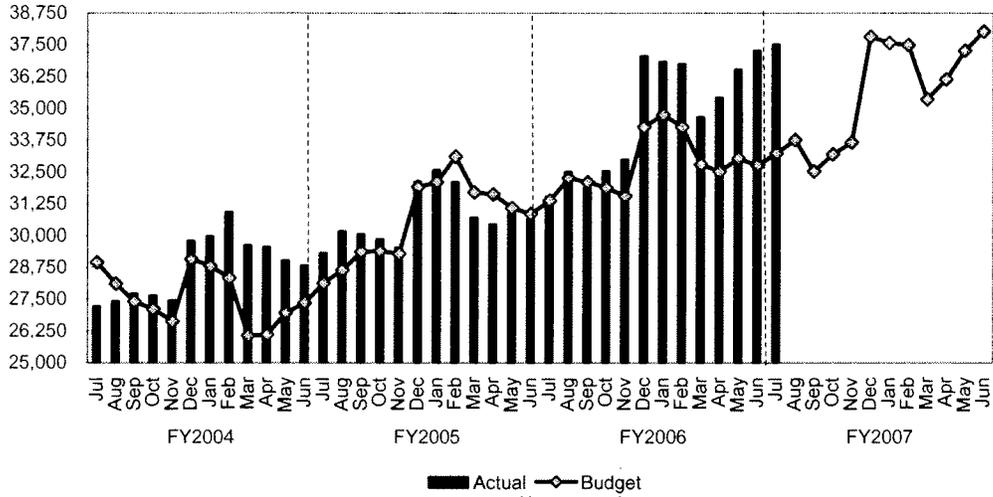
Department Performance Measure	FY2006			FY2007		
	Actual	YTD	% Actual	Objective	YTD	% Objective
FIRE DEPARTMENT						
First Response Time (Minutes)	8.1	7.6	N/A	7.3	7.8	N/A
First Response Time-EMS (Minutes)	9.0	8.5	N/A	9.7	8.4	N/A
Ambulance Response Time (Minutes)	10.4	10.4	N/A	10.0	10.5	N/A
HEALTH & HUMAN SERVICES						
Environmental Inspections	69,702	8,421	12.1%	102,600	13,865	13.5%
First Trimester Prenatal Enrollment	45.4%	42.0%	N/A	42.0%	41.0%	N/A
WIC Client Satisfaction	95.0%	86.6%	N/A	95.0%	0.0%	N/A
Immunization Compliance (2 Yr. Olds)	88.0%	87.0%	N/A	87.0%	0.0%	N/A
TB Therapy Completed	92.1%	91.0%	N/A	90.0%	95.8%	N/A
HOUSING						
Housing Units Assisted	4,396	575	13.1%	1,610	68	4.2%
Council Actions on HUD Projects	142	19	13.4%	155	22	14.2%
Annual Spending (Millions)	\$53	\$7	13.2%	\$59	\$18	30.5%
HUMAN RESOURCES						
Total Jobs Filled - (As Vacancies Occur)	5,197	356	6.9%	5,000	984	19.7%
Days to Fill Jobs	60	60	100.0%	60	60	100.0%
Training Courses Conducted	136	12	8.8%	135	4	3.0%
Lost Time Injuries (As They Occur)	343	19	5.5%	362	21	5.8%
LEGAL						
Deed Restriction Complaints Received	834	132	15.8%	938	117	12.5%
Deed Restriction Lawsuits Filed	38	15	39.5%	38	2	5.3%
Deed Restriction Warning Letters Sent	423	89	21.0%	572	65	11.4%
LIBRARY						
Total Circulation	5,848,144	1,097,851	18.8%	5,085,000	1,051,223	20.7%
Juvenile Circulation	2,711,437	554,075	20.4%	2,539,000	565,396	22.3%
Customer Satisfaction(Three/Year)	88%	N/A	N/A	90%	N/A	N/A
Reference Questions Answered	3,938,112	511,376	13.0%	2,036,000	157,138	7.7%
In-House Computer Users	1,260,298	221,714	17.6%	931,000	209,426	22.5%
Public Computer Training Classes Held	951	148	15.6%	750	218	29.1%
Public Computer Training Attendance	7,871	1,273	16.2%	5,400	1,367	25.3%
MUNICIPAL COURTS						
Total Case Filings	1,266,843	197,161	15.6%	1,120,002	175,945	15.7%
Total Disposition	999,642	145,310	14.5%	882,576	167,306	19.0%
Cost per Disposition	\$16.56	\$19.75	N/A	\$18.34	\$13.88	N/A
Incomplete Docket Reduction (Cases/Day)	14.00	32.55	N/A	14	0.57	N/A
PARKS & RECREATION						
Registrants in Youth Sports Programs	20,891	2,611	12.5%	20,100	3,248	16.2%
Registrants in Adult Fitness & Craft Programs	4,358	374	8.6%	7,500	753	10.0%
Number of Teams in Adult Sports Programs	1,087	267	24.6%	1,400	262	18.7%
Golf Rounds Played at Privatized Courses	87,559	14,633	16.7%	93,500	12,571	13.4%
Golf Rounds Played at COH - Operated Courses	173,366	29,196	16.8%	182,750	26,780	14.7%
Work Orders Completed-Parks and Comm. Ctr Facilities	20,481	3,872	18.9%	25,000	3,188	12.8%
Vehicle Downtime-Days out of Service (avg):						
Light Duty	N/A	N/A	NA	14	13	N/A
Tractors	N/A	N/A	NA	14	25	N/A
Heavy	N/A	N/A	NA	14	17	N/A
Mower	N/A	N/A	NA	7	18	N/A
Parts	N/A	N/A	NA	5	11	N/A
Kelly	N/A	N/A	NA	10	8	N/A
Grounds Maintenance Cycle-Days:						
Esplanades	13	8	NA	14	8	
Parks & Plazas	12	8	NA	10	7	N/A
Bikes & Hikes Trails	12	9	NA	14	7	N/A

**CITY OF HOUSTON PERFORMANCE REPORT
FOR THE MONTH ENDING August 31, 2006 (16.67% OF FISCAL YEAR)**

Department Performance Measure	FY2006			FY2007		
	Actual	YTD	% Actual	Objective	YTD	% Objective
PLANNING & DEVELOPMENT						
Development Plats	1,284	230	17.9%	1,300	228	17.5%
Plats Recorded	1,432	236	16.5%	1,858	236	12.7%
Subdivision Plats Reviewed	4,845	811	16.7%	3,252	885	27.2%
Develop Houston Hope Plans	N/A	N/A	0.0%	6	0	0.0%
Houston Hope Committee Meetings	N/A	N/A	0.0%	10	0	0.0%
HOUSTON POLICE						
Response Time (Code 1)-Minutes	4.9	5.0	102.0%	4.9	4.9	100.0%
Violent Crime Clearance Rate	24.4%	24.9%	102.0%	38.8%	24.4%	62.9%
Crime Lab Cases Completed	72.4%	36.1%	49.9%	90.0%	20.9%	23.2%
Fleet Availability	95.0%	95.7%	100.7%	90.0%	95.0%	105.6%
Complaints - Total Cases	118	22	18.6%	878	5	0.6%
Tot. Cases Reviewed by Citizens Rev. Com.	137	31	22.6%	564	18	3.2%
Records Processed	372,109	486,116	130.6%	663,276	78,422	11.8%
PUBLIC WORKS AND ENGINEERING						
Maintenance and Right-of-Way						
Asphalt For Potholes/Skin Patches (Tons)	16,104	2,285	14.2%	16,000	3,515	22.0%
Roadside Ditch Regrading/Cleaned (Miles)	316	62	19.6%	345	50	14.5%
Storm Sewers Cleaned (Miles)	386	66	17.1%	350	40	11.4%
Storm Sewer Inlets/Manholes Cleaned/Inspected	140,428	16,717	11.9%	130,900	15,796	12.1%
In-House Overlay (Lane Miles)	281	72	25.6%	280	37	13.2%
ECRE						
Storm/Street Annual Appropriation as of % of CIP	104.8%	7.3%	7.0%	100.0%	0.0%	0.0%
Waste/Wastewater Annual Appropriation as of % of CIP	101.2%	1.6%	1.6%	100.0%	2.6%	2.6%
Safe Sidewalk Program - PAR -% completed in 180 days	N/A	0	0.0%	N/A	0	0.0%
Safe Sidewalk Program - Schools/Thourghfares -% completed in 18 months	N/A	0	0.0%	N/A	0	0.0%
Overlay of thourghfares (Lane miles, by contract)	N/A	0	0.0%	N/A	0	0.0%
Traffic and Transportation						
Traffic Signal Maintenance Completed within 72 hours	97.4%	97.4%	0.0%	95.0%	99.10%	0.0%
Roadway & Sidewalk Obstruction Permits processed within 7 days	100.0%	100.0%	0.0%	100.0%	98.33%	0.0%
Water and Sewer - Utility Maintenance						
Rehabilitate/renew 950,000 linear feet (3%) of collection system annually	1,038,264	160,712	15.5%	950,000	170,210	17.9%
Rehabilitate or renew 1000 fire hydrants (2%) annually	1,082	173	16.0%	1,250	246	19.7%
Rehabilitate or replace 8 storage tanks (5%) annually	6	0	0.0%	8	0	0.0%
Water repairs completed within 12 days for calls received from 311	95.0%	92.0%	96.8%	90.0%	93.0%	103.3%
Wastewater repairs completed within 15 days for calls received from 311	80.0%	79.0%	98.8%	90.0%	95.0%	105.6%
Utility Customer Service						
Percent of meters read and located monthly	94.4%	94.9%	100.5%	97.0%	95.0%	97.9%
Collection Rate	98.8%	96.5%	97.7%	99.0%	99.6%	100.6%
Planning & Development						
Complete Plan Review on new single family residence in 7 days	99.0%	81.0%	0.0%	90.0%	91.0%	101.1%
Average number of Re-submittals in Plan Review	2.86	3	0.0%	2	3	133.0%
Customer service rating (Scale of 1-5)	3.48	2	0.0%	4	3	78.8%
SOLID WASTE MANAGEMENT						
Cost per Unit Served-Excludes Recycling and Special Collections Programs	\$13.77	\$13.87	100.7%	\$14.86	\$13.87	93.3%
Units with Recycling	162,000	162,000	100.0%	162,000	162,000	100.0%
Tires Disposed	238,614	4,443	1.9%	220,000	41,506	18.9%

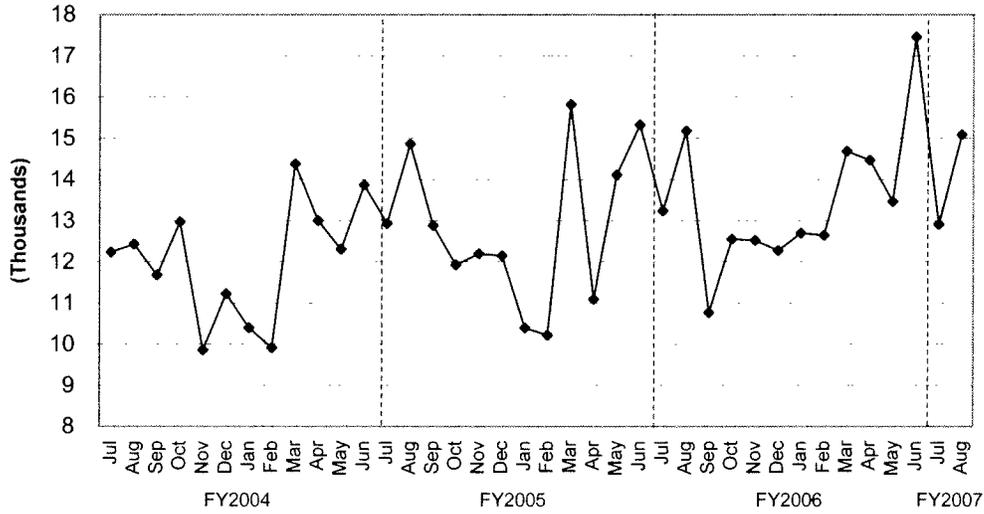
TREND INDICATORS - LOCAL ECONOMY

Sales Tax - Three-Month Rolling Average



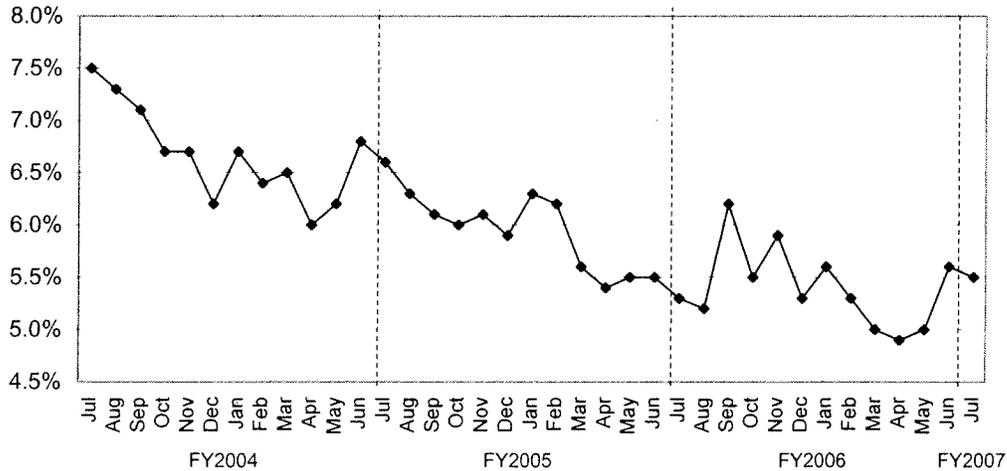
Source: Office of State Comptroller

Building Permits Issued



Source: City of Houston Planning and Development Department

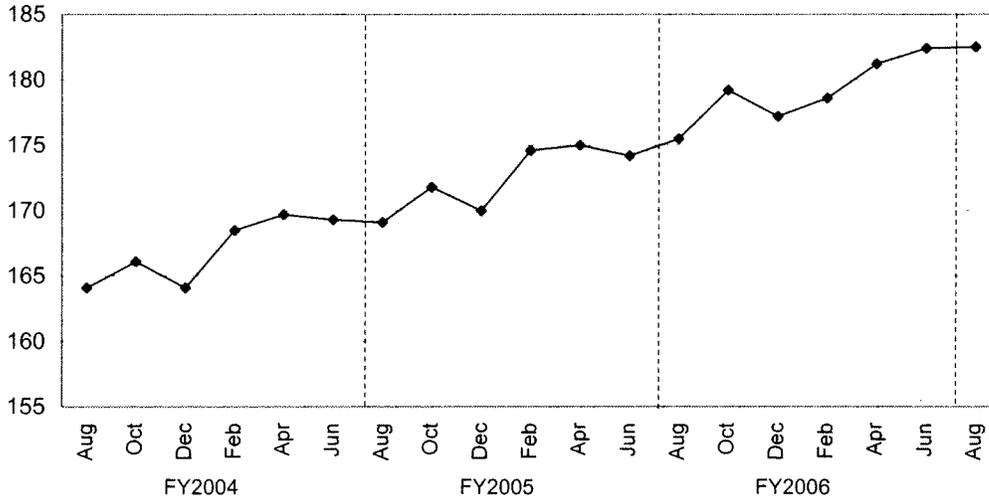
Unemployment Rate



Source: Databook Houston; University of Houston Center for Public Policy; not seasonally adjusted

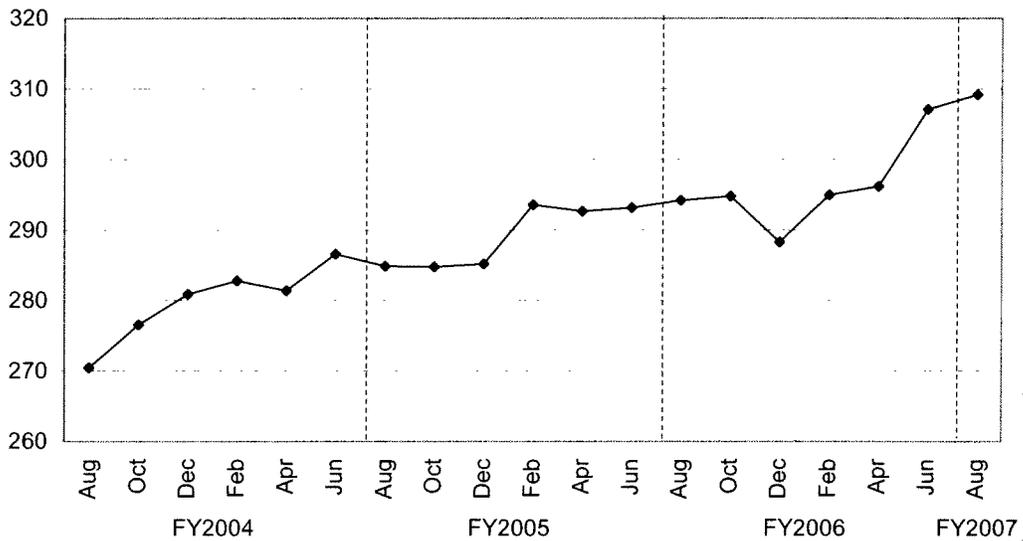
TREND INDICATORS - LOCAL ECONOMY

Consumer Price Index - All Items



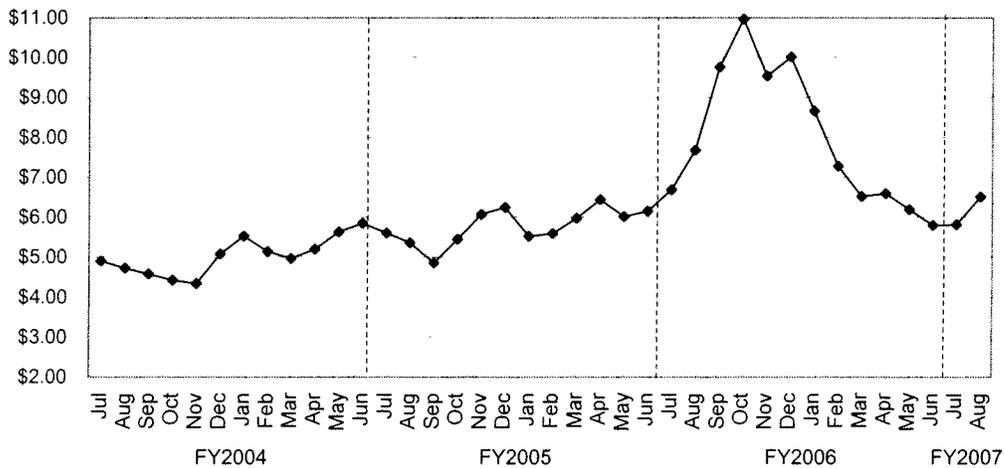
Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX

Consumer Price Index - Medical Care



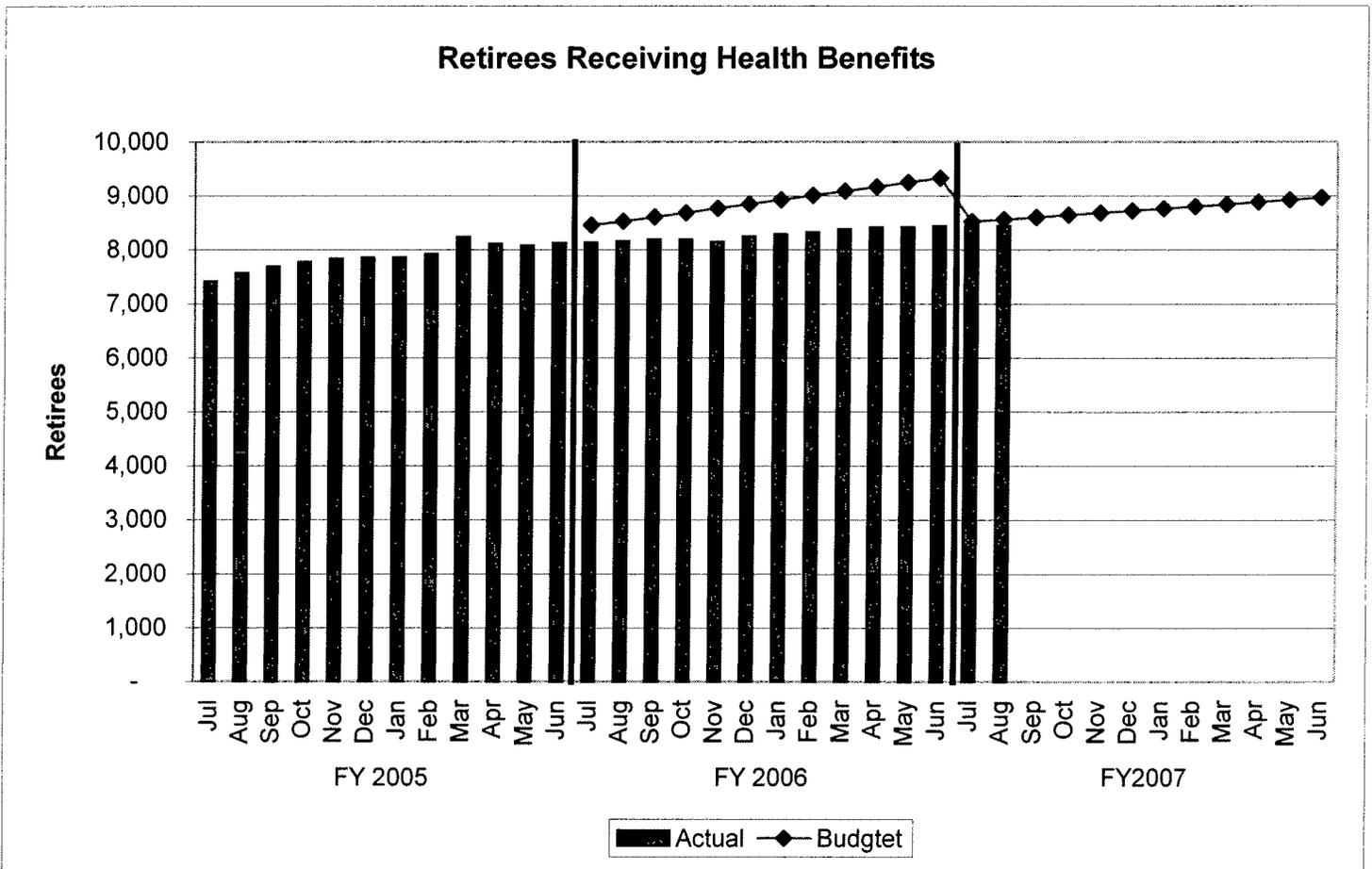
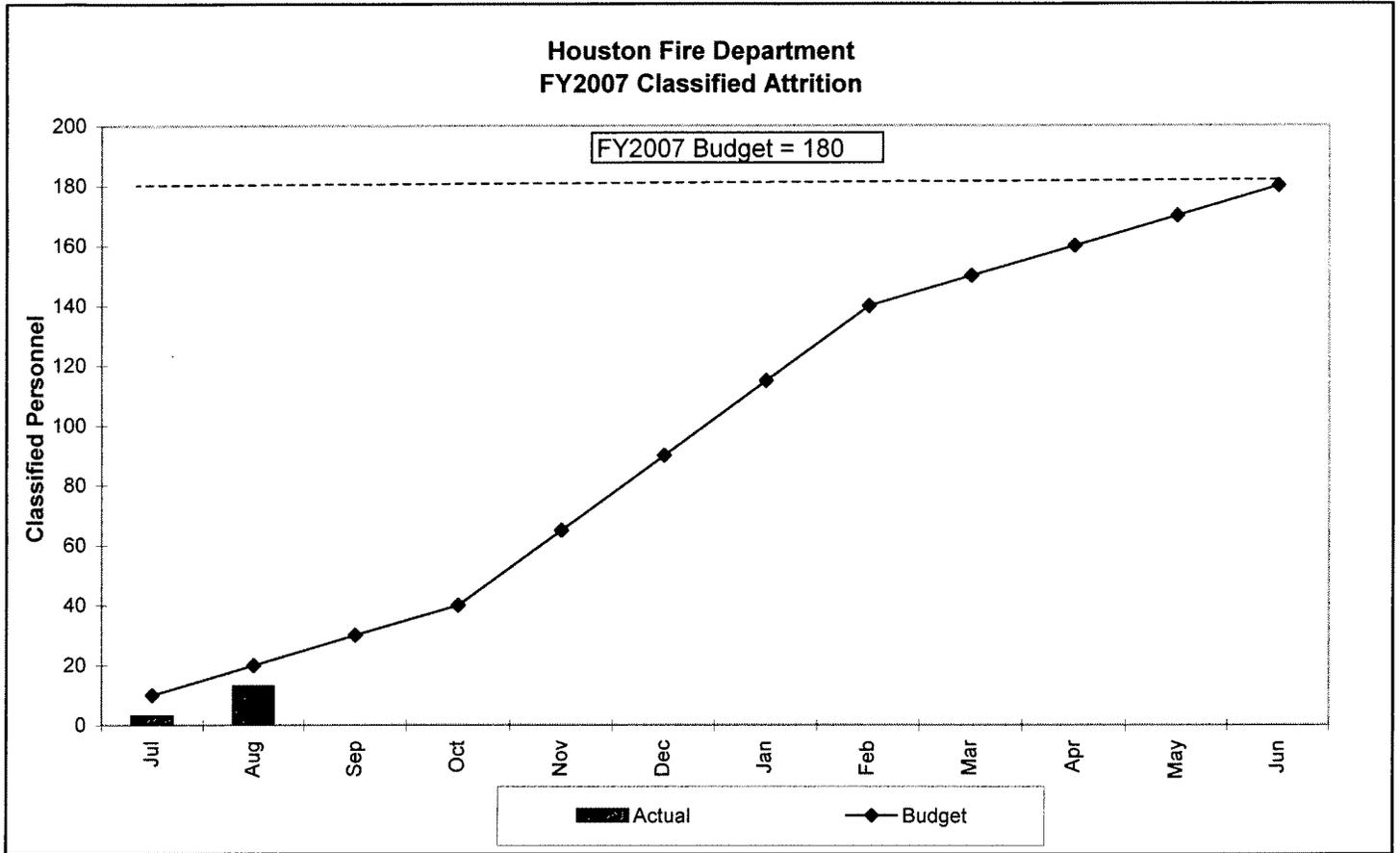
Source: Bureau of Labor Statistics - Houston, Galveston, Brazoria TX

Average National Natural Gas - Wellhead Price

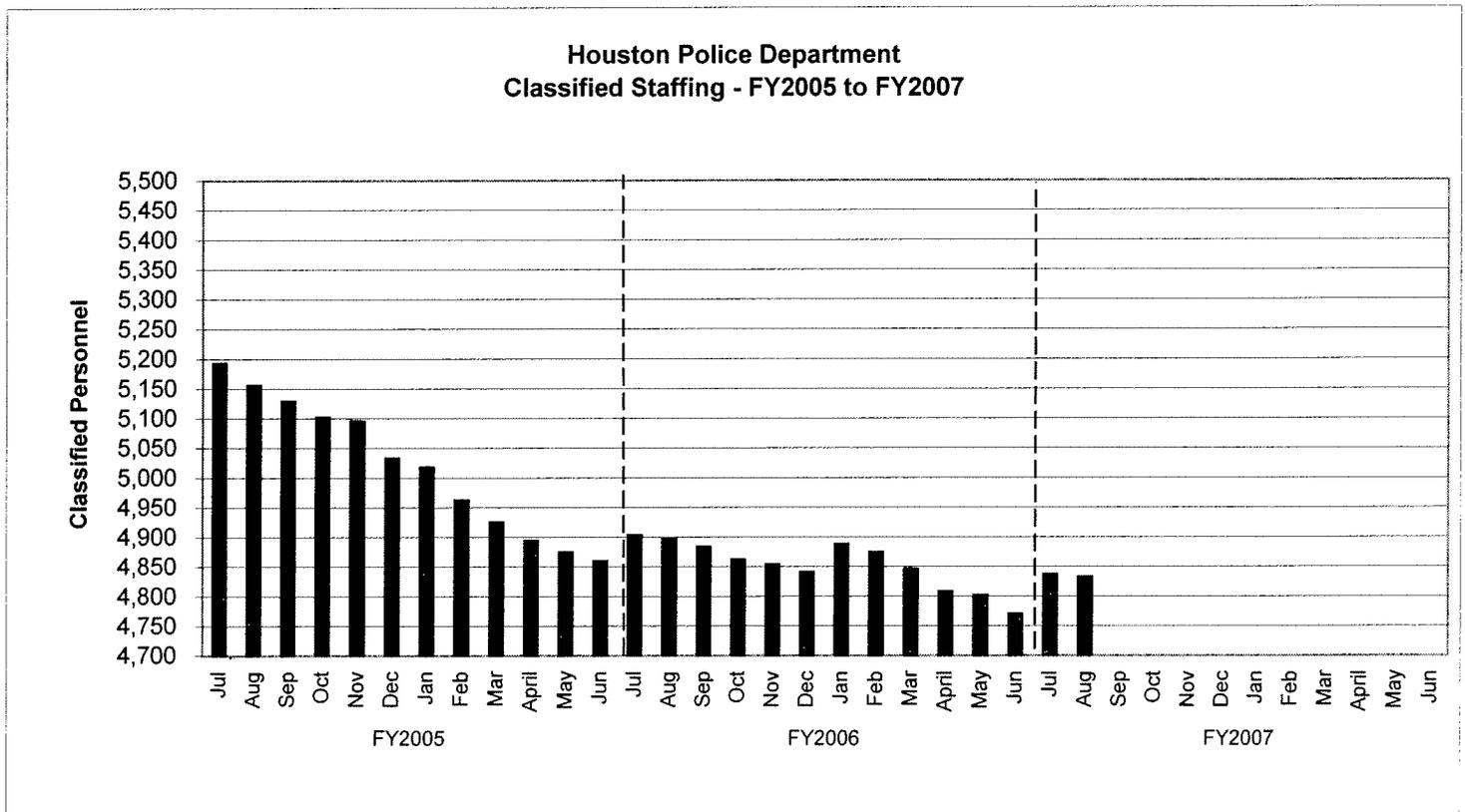
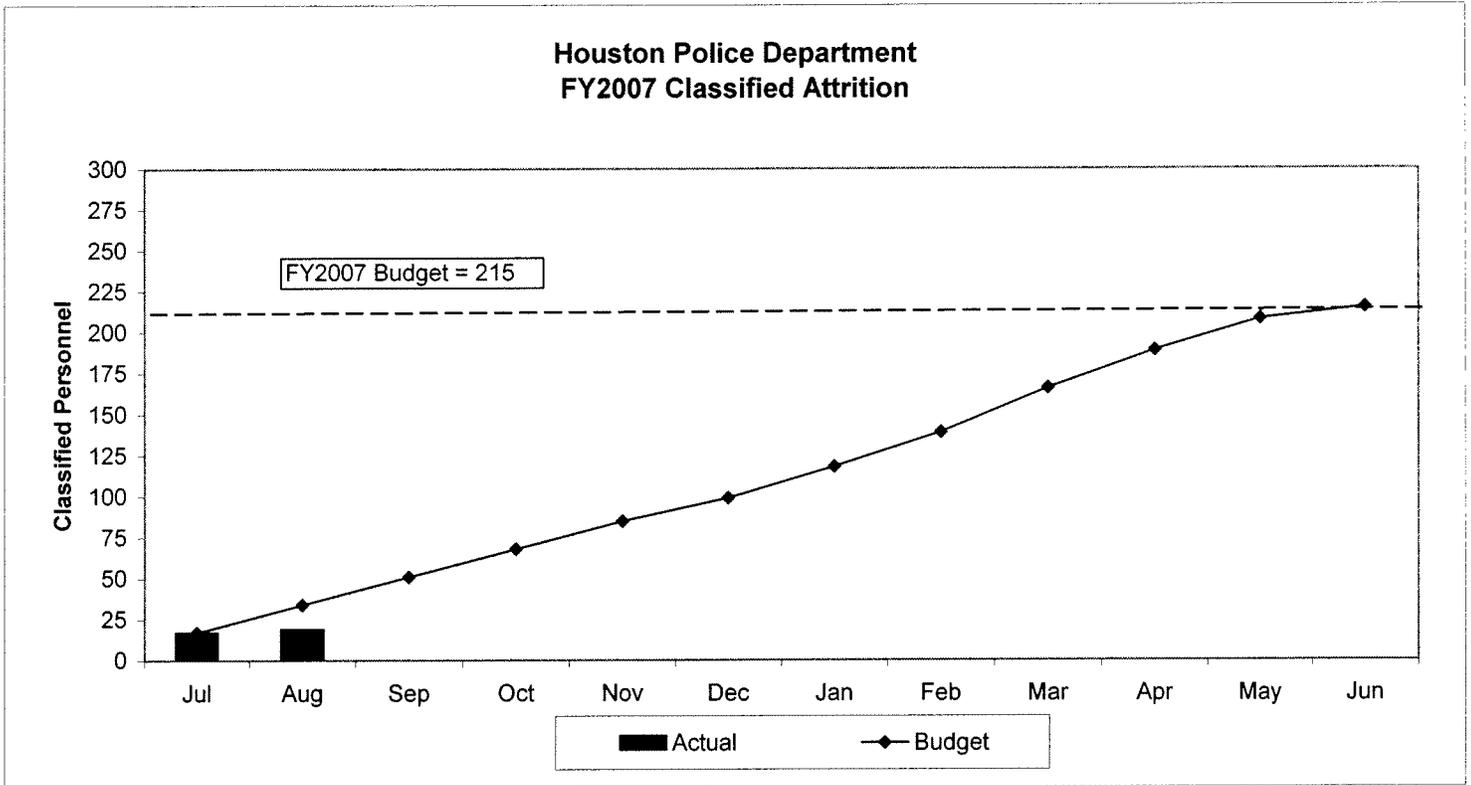


Source: Energy Information Administration/Natural Gas Monthly

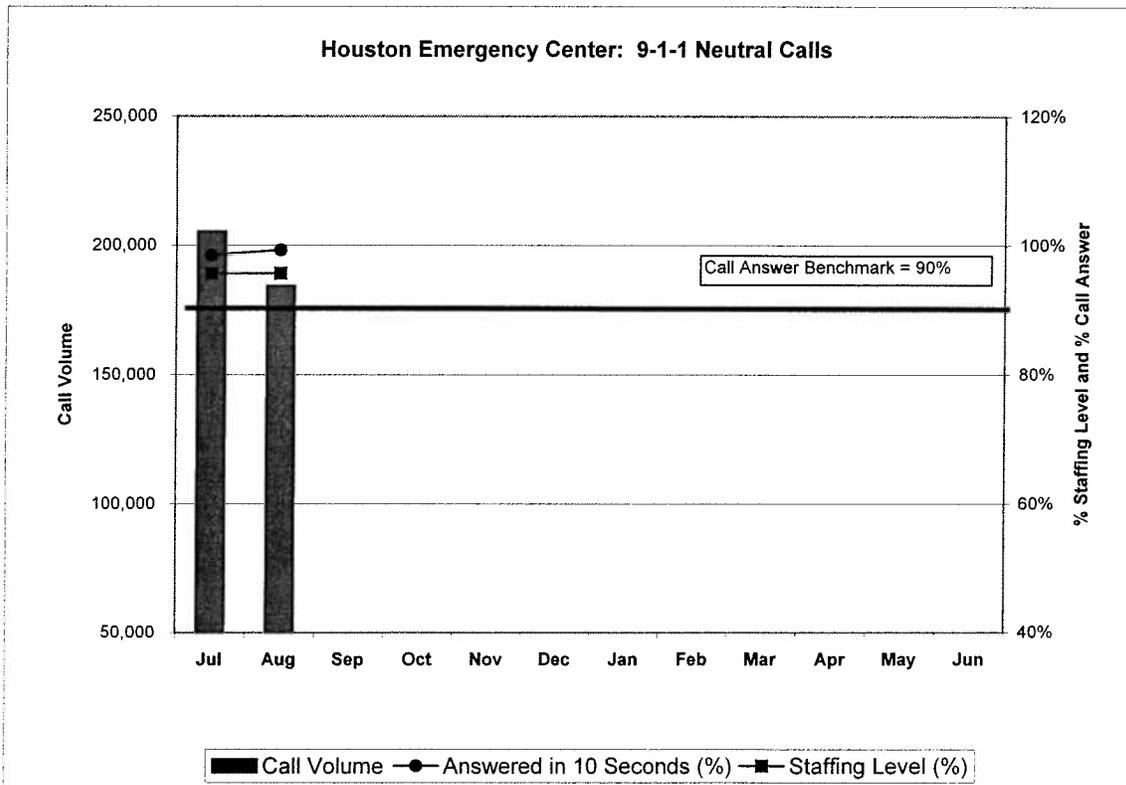
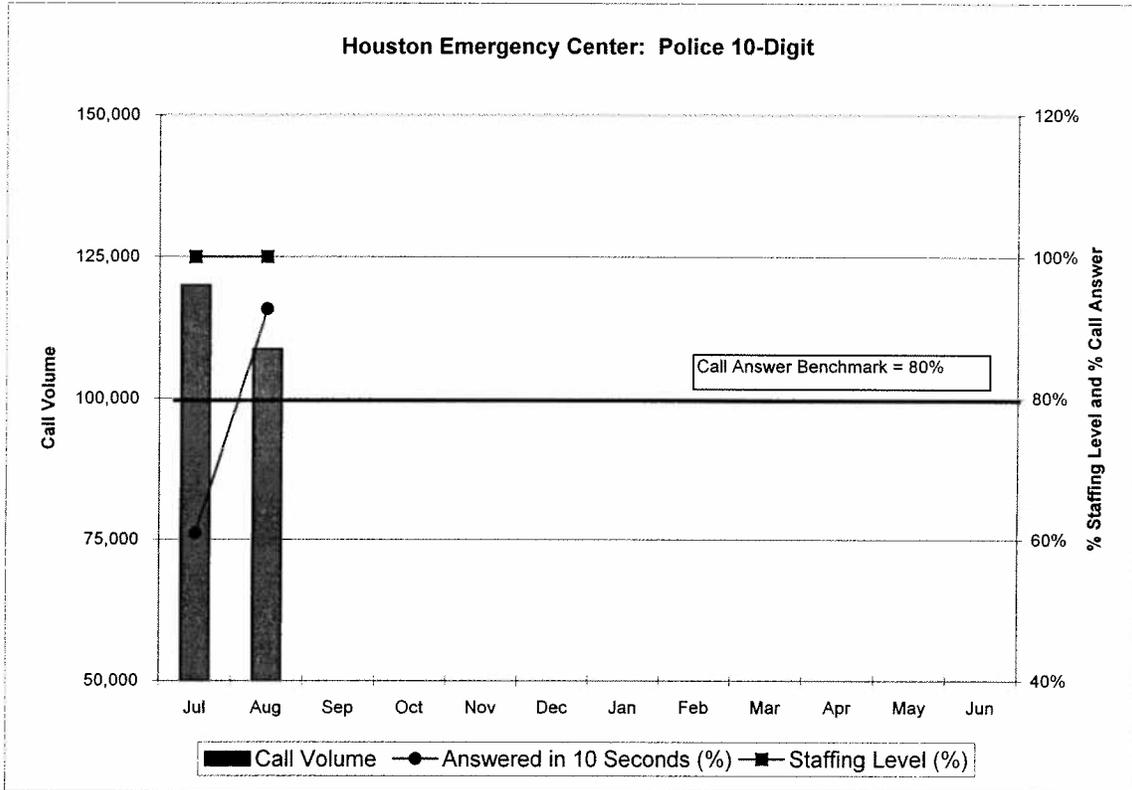
TREND INDICATORS - RETIREMENTS



TREND INDICATORS - HIRING AND RETIREMENTS

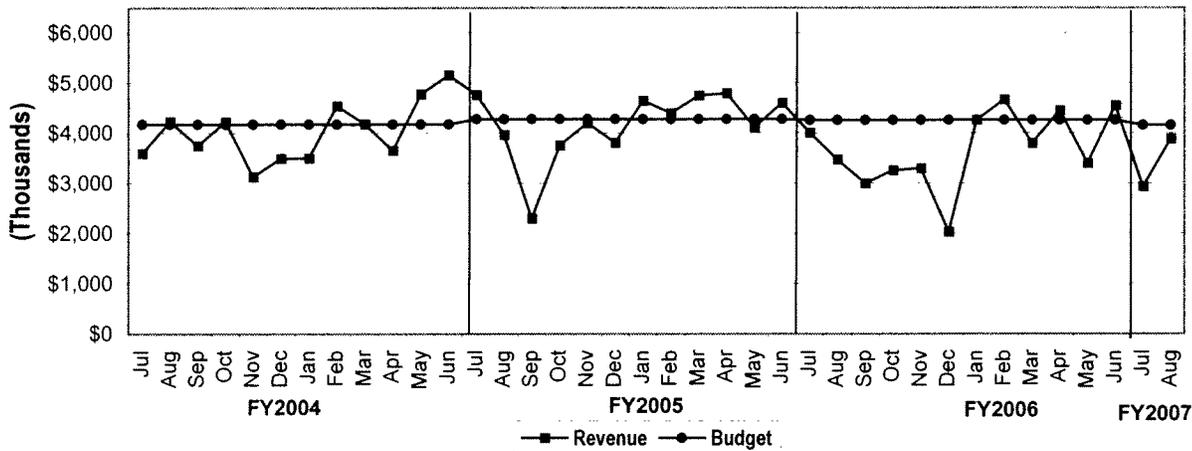


TREND INDICATORS - HOUSTON EMERGENCY CENTER

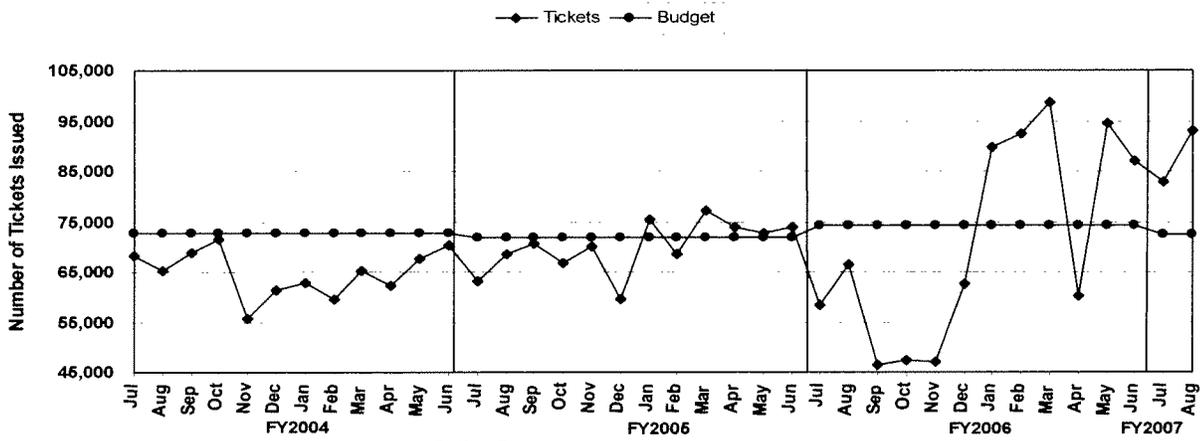


TREND INDICATORS - MUNICIPAL COURTS

Total Municipal Courts Revenue

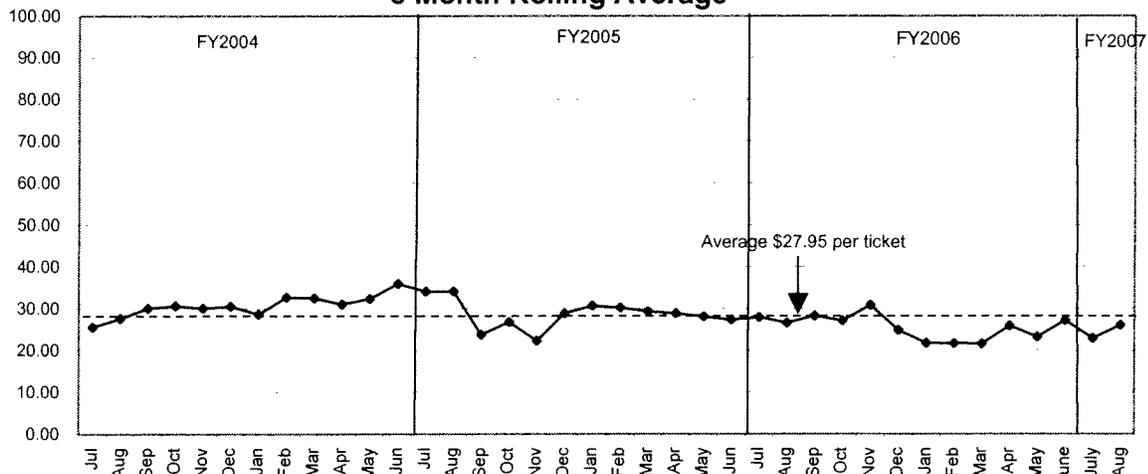


Number of Traffic Citations Issued

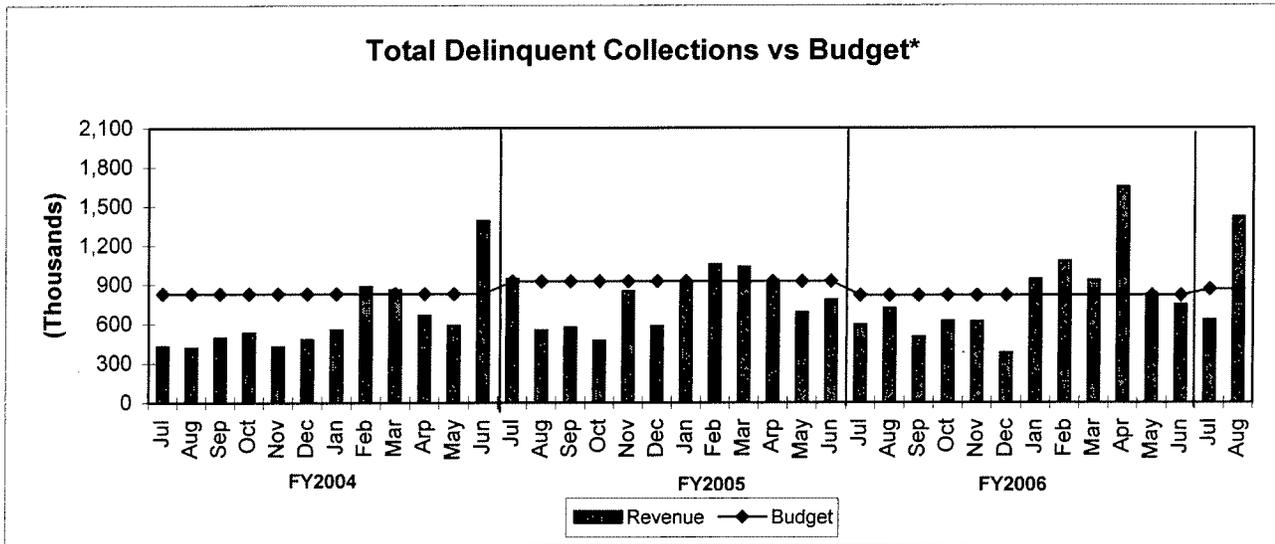
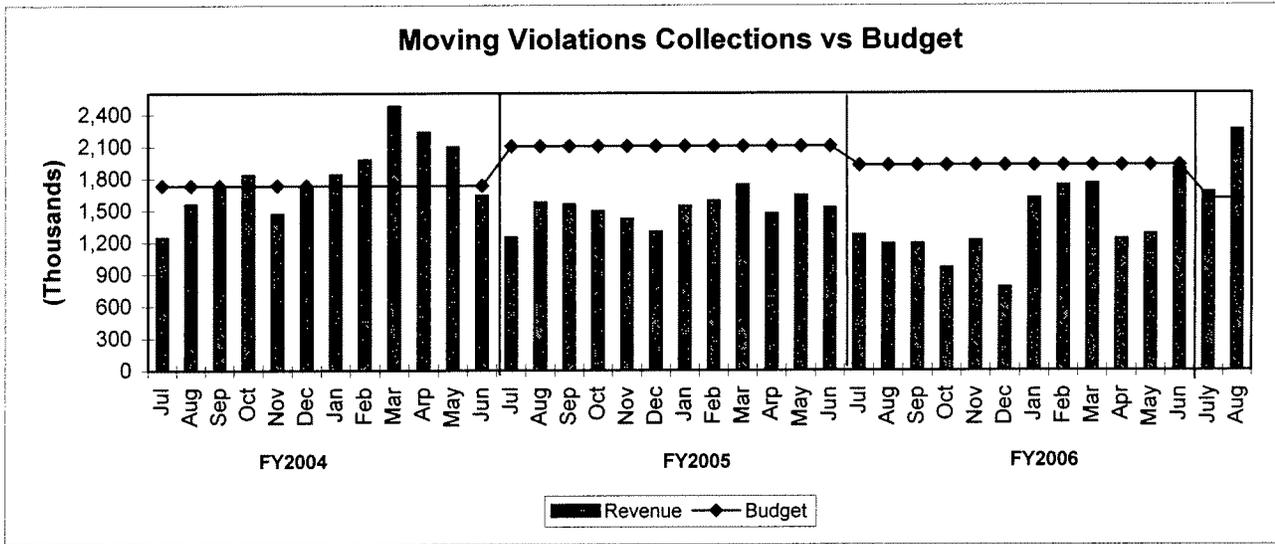


Note: Tickets issued primarily by the Houston Police Department.

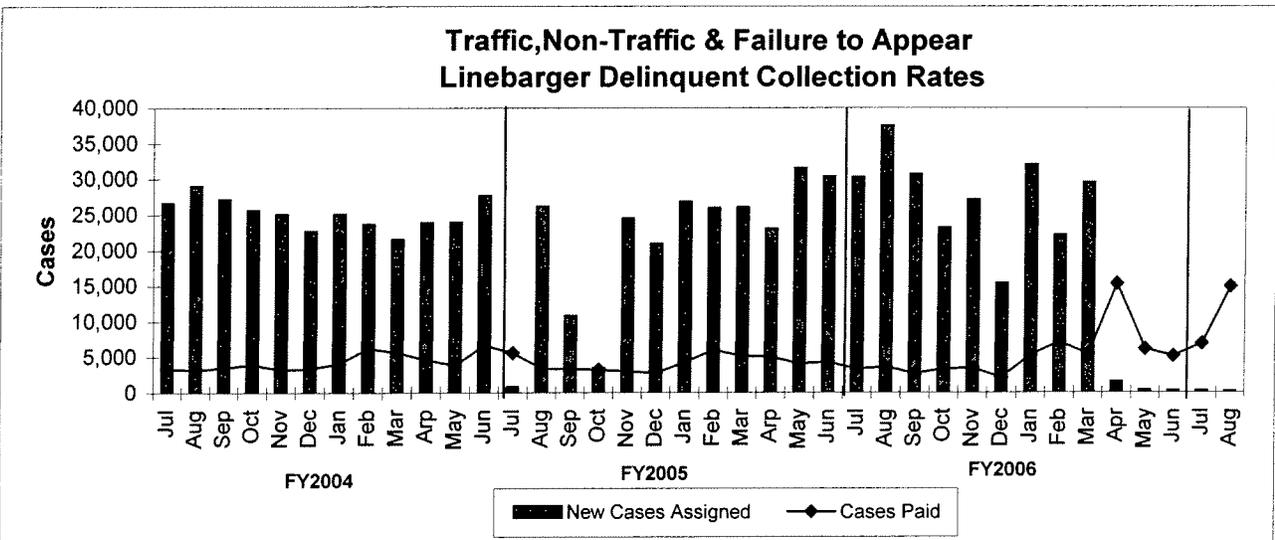
Moving Violations Revenue Per Ticket Issued (427010) 3 Month Rolling Average



TREND INDICATORS - MUNICIPAL COURTS



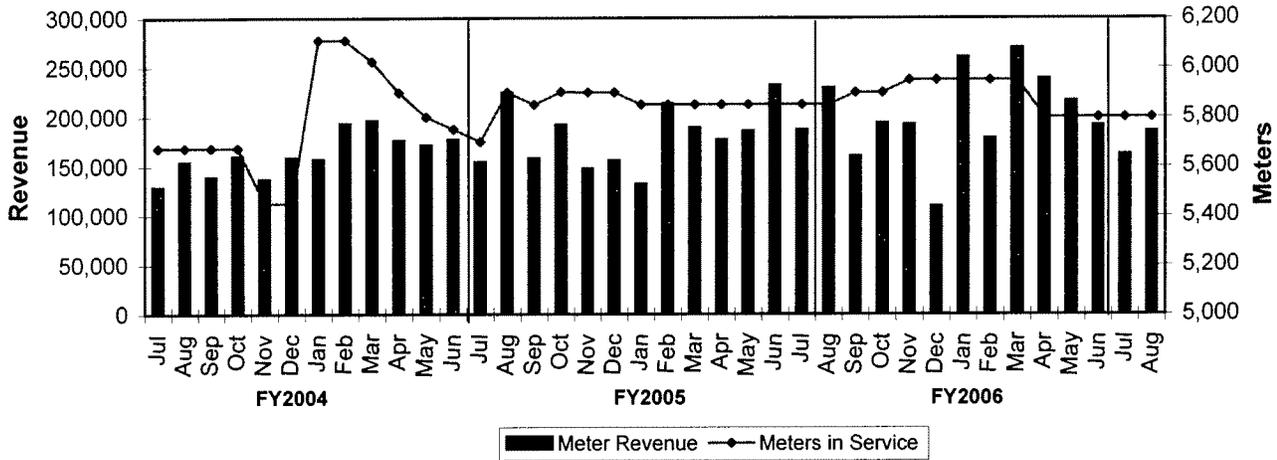
*Net of fees and expenses paid to Linebarger



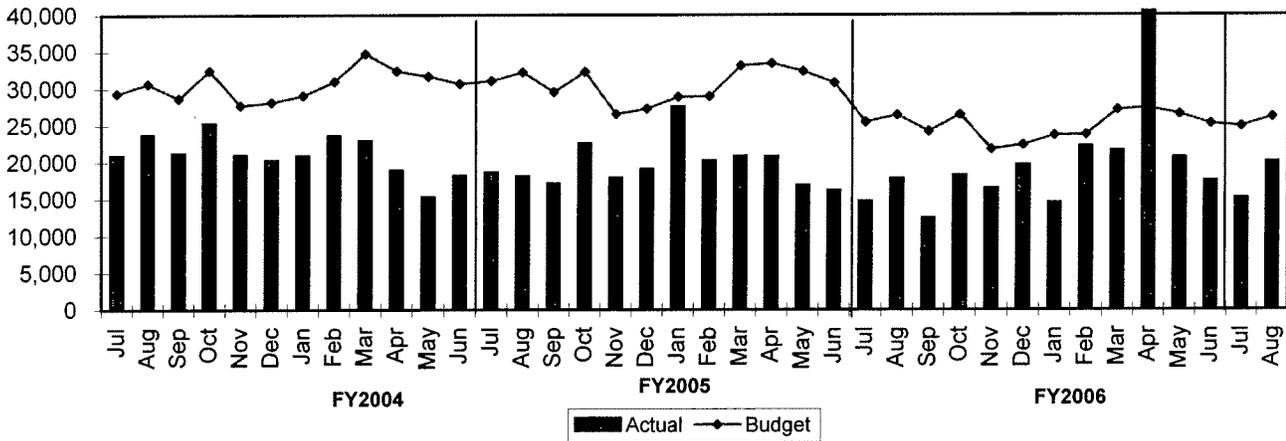
*Excludes Delinquent Parking Collections

TREND INDICATORS - MUNICIPAL COURTS

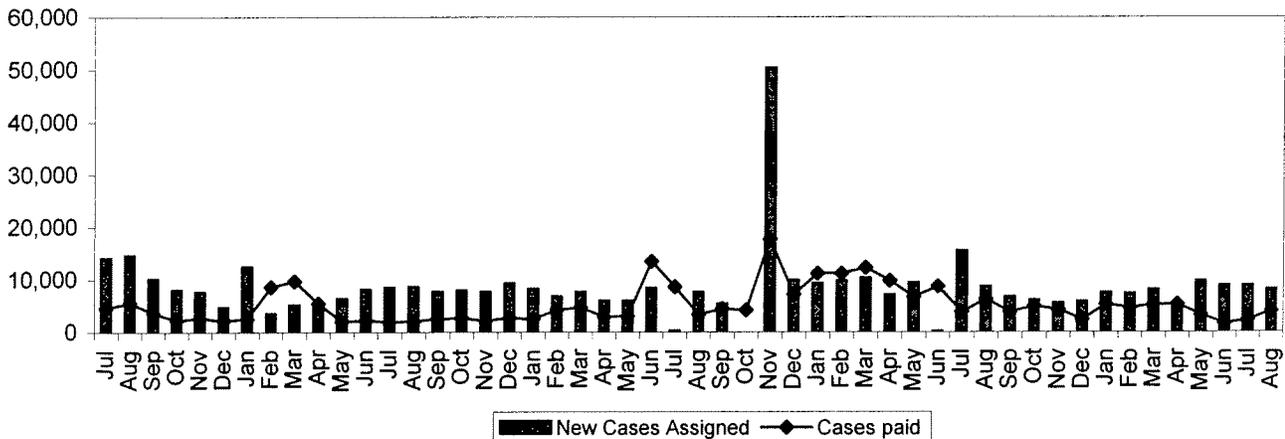
Meter Revenue vs # Meters in Service



Parking Violations vs Budget

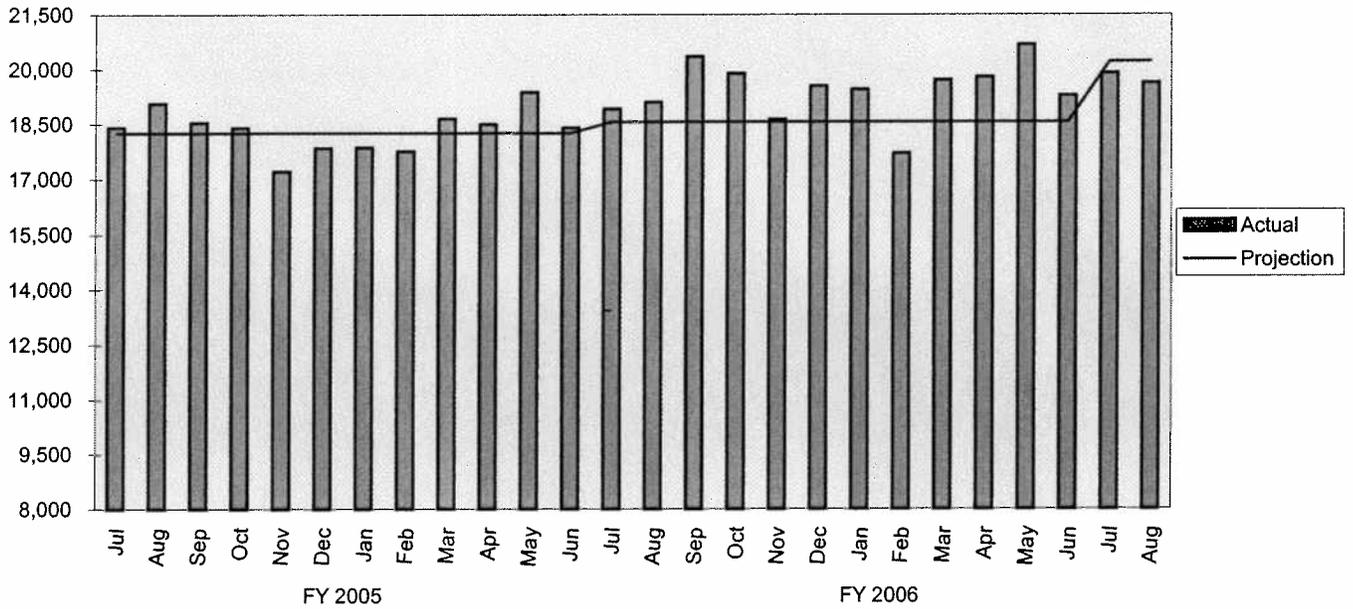


Parking Meter Violations Linearger Delinquent Collections Rate

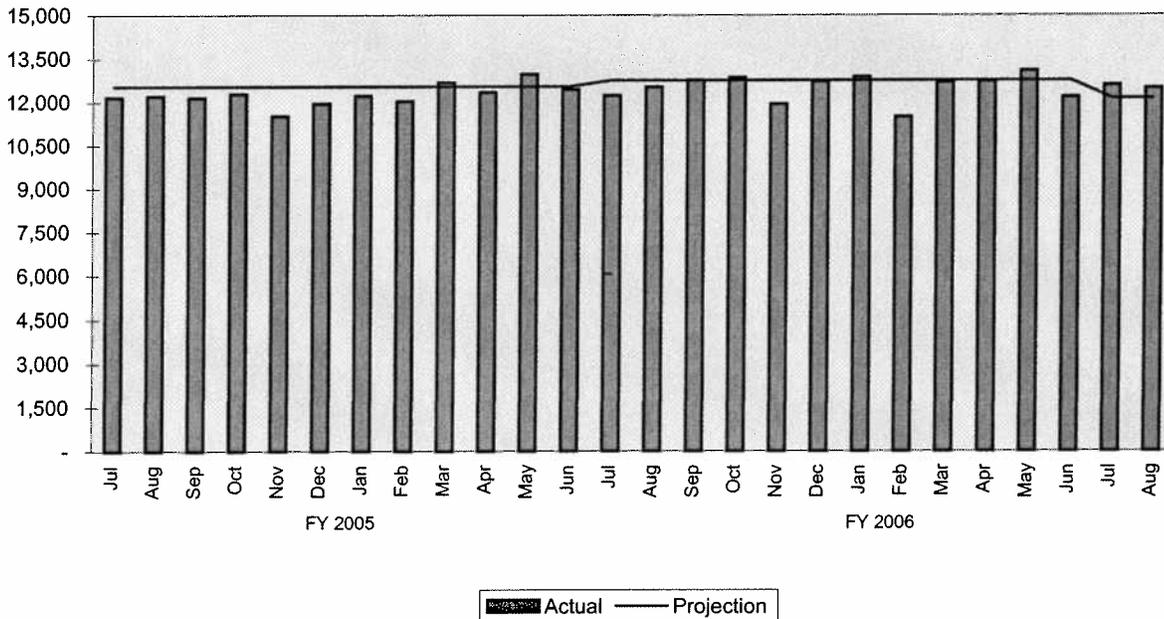


TREND INDICATORS - AMBULANCE SERVICES

EMS Incidents

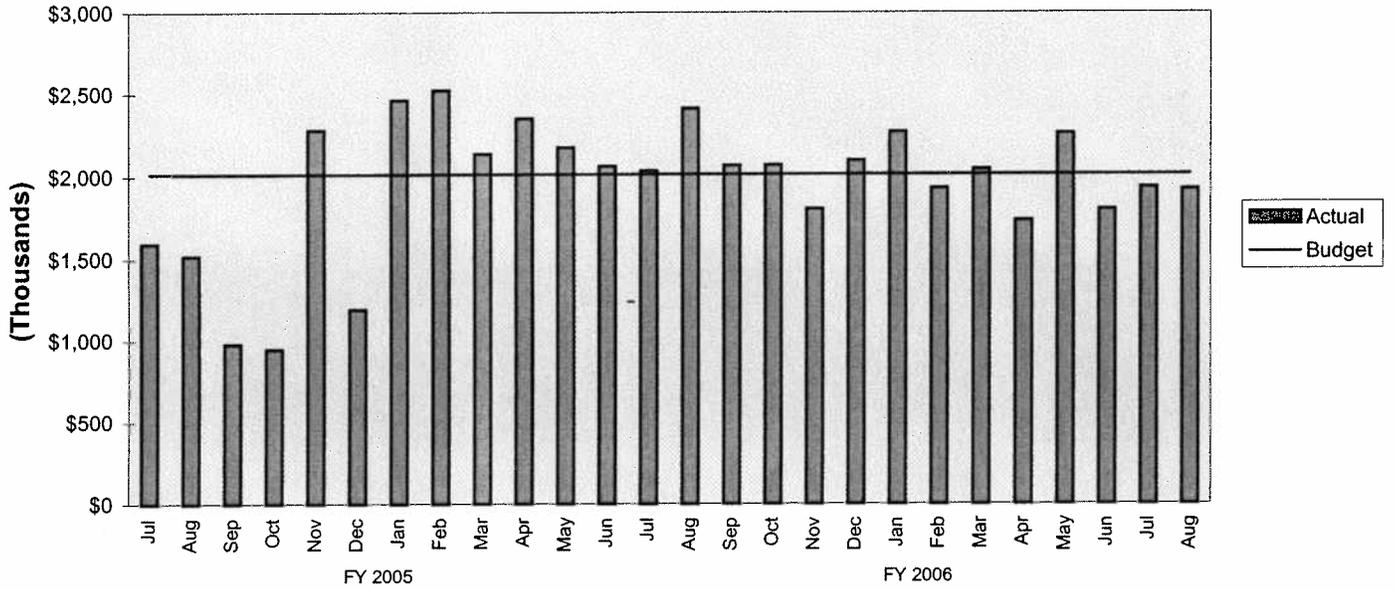


EMS Transports

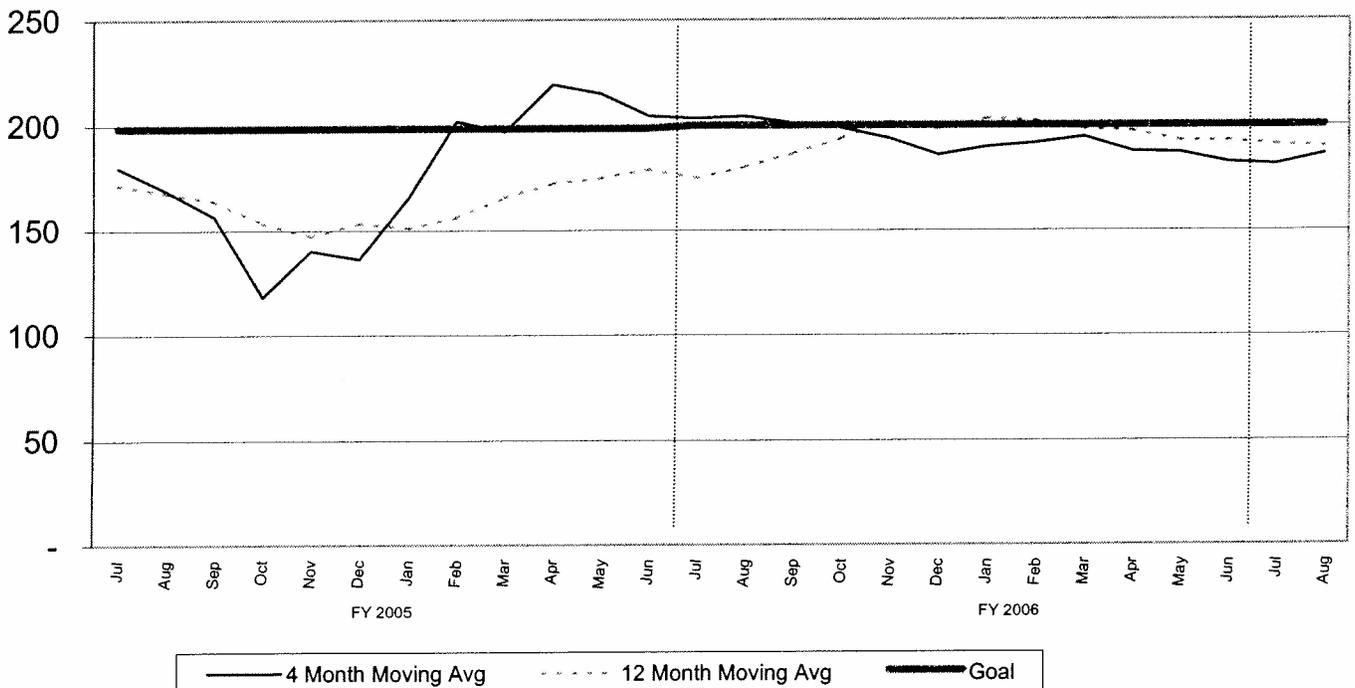


TREND INDICATORS - AMBULANCE SERVICES

EMS Revenue (Net Collections)

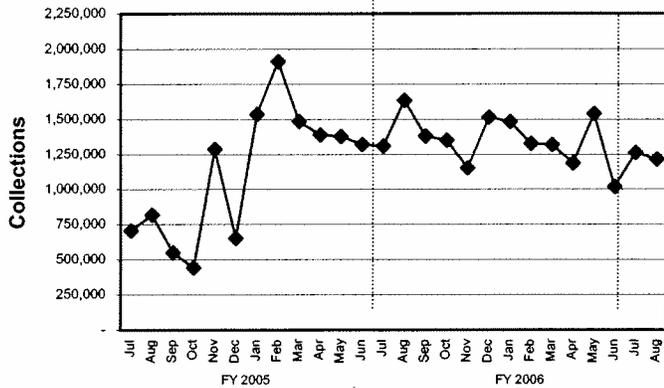


4 Month and 12 Month Moving Average EMS Revenue Per Transport

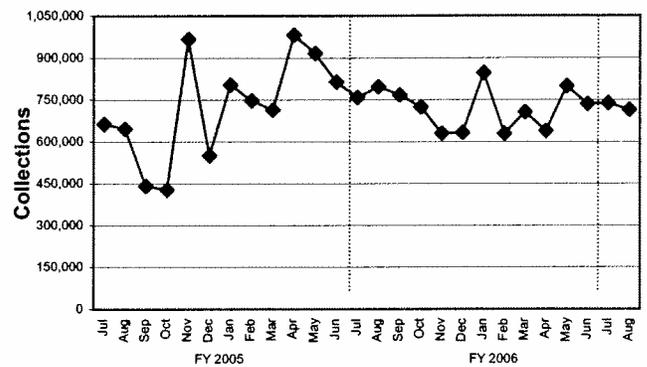


TREND INDICATORS - AMBULANCE SERVICES

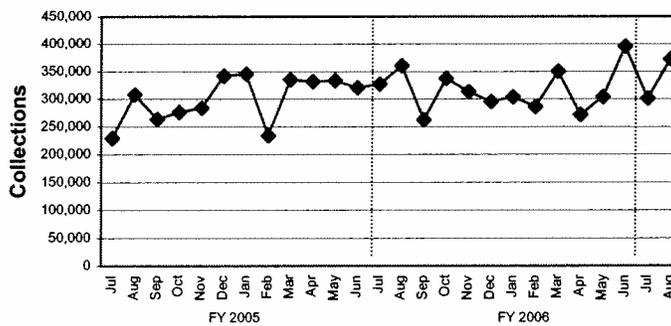
EMS - Gross Medicare/Caid Revenue



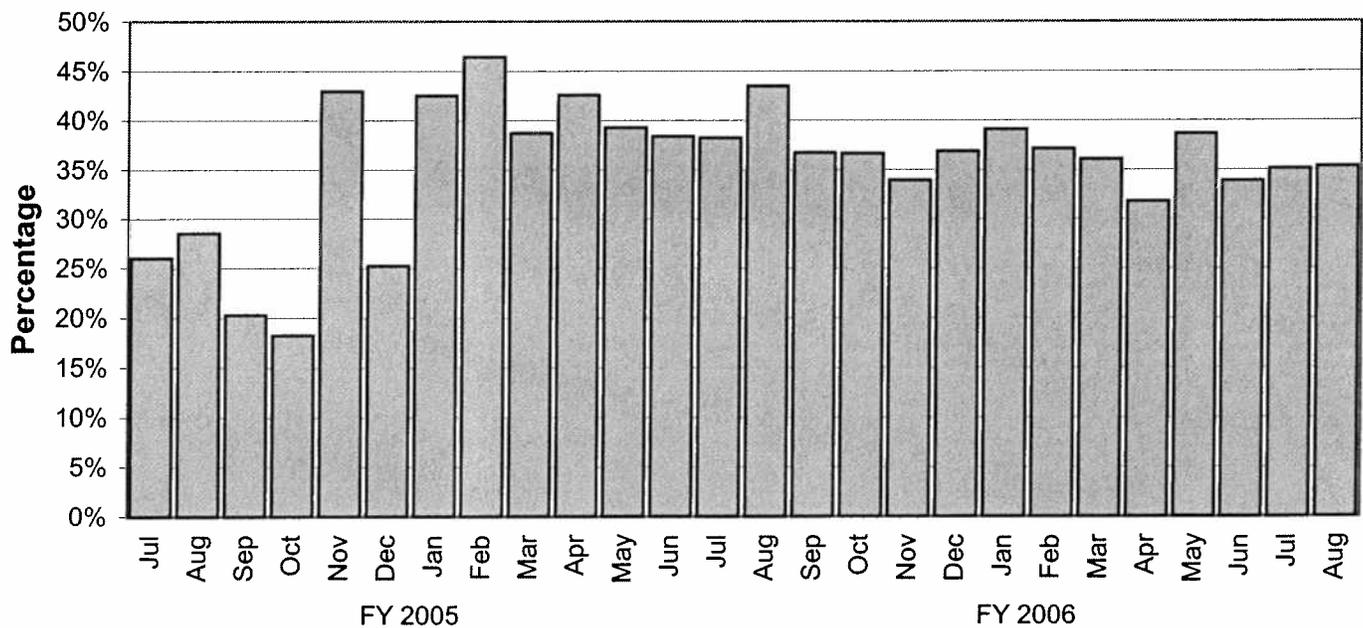
EMS - Gross Private Insurance Revenue



EMS - Gross Self-Pay Revenue

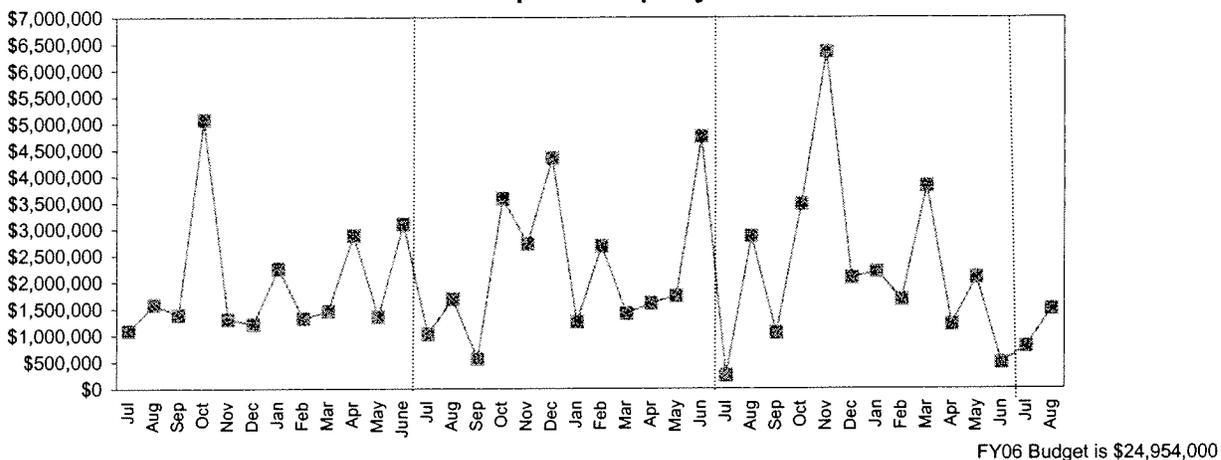


EMS - Gross Collection Percentage

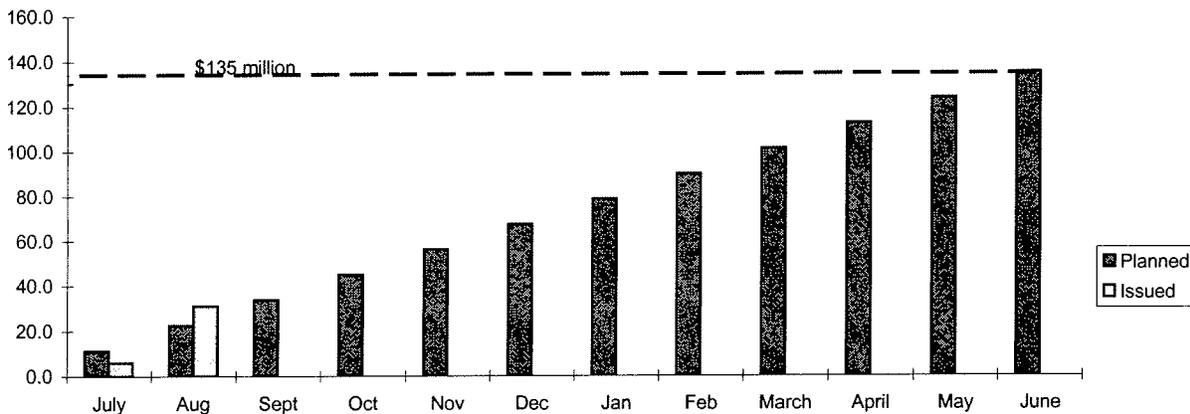


TREND INDICATORS - MISCELLANEOUS

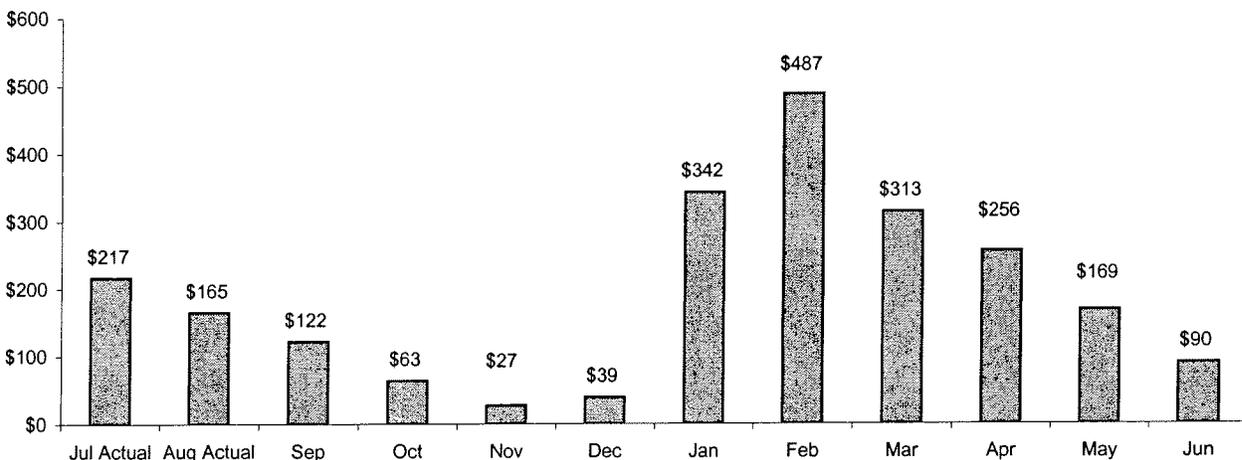
Delinquent Property Tax



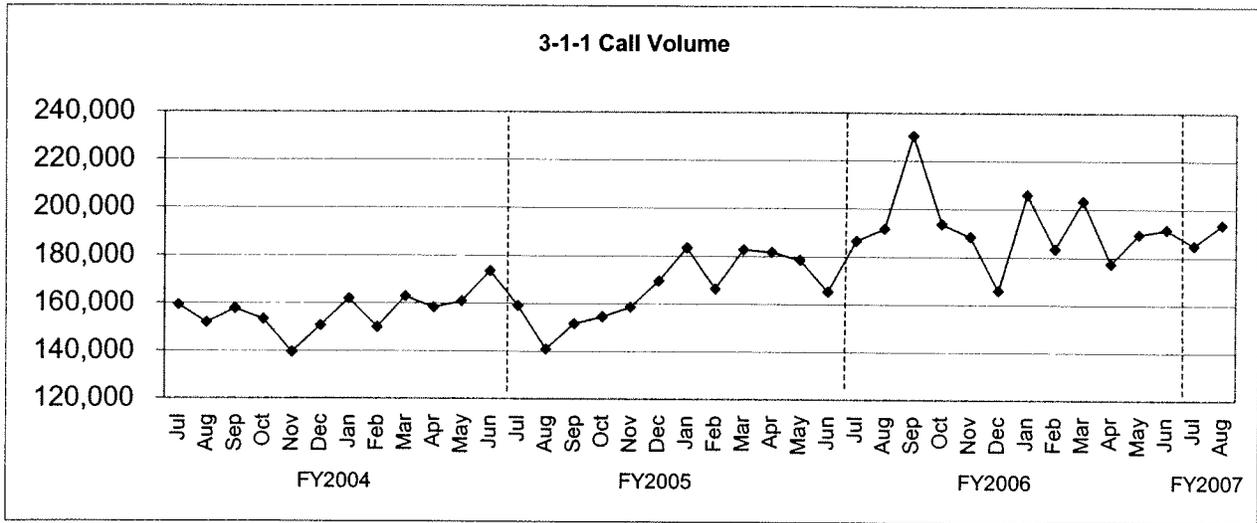
FY2007 Public Improvement Bonds Commercial Paper Planned vs Issued (\$Millions)



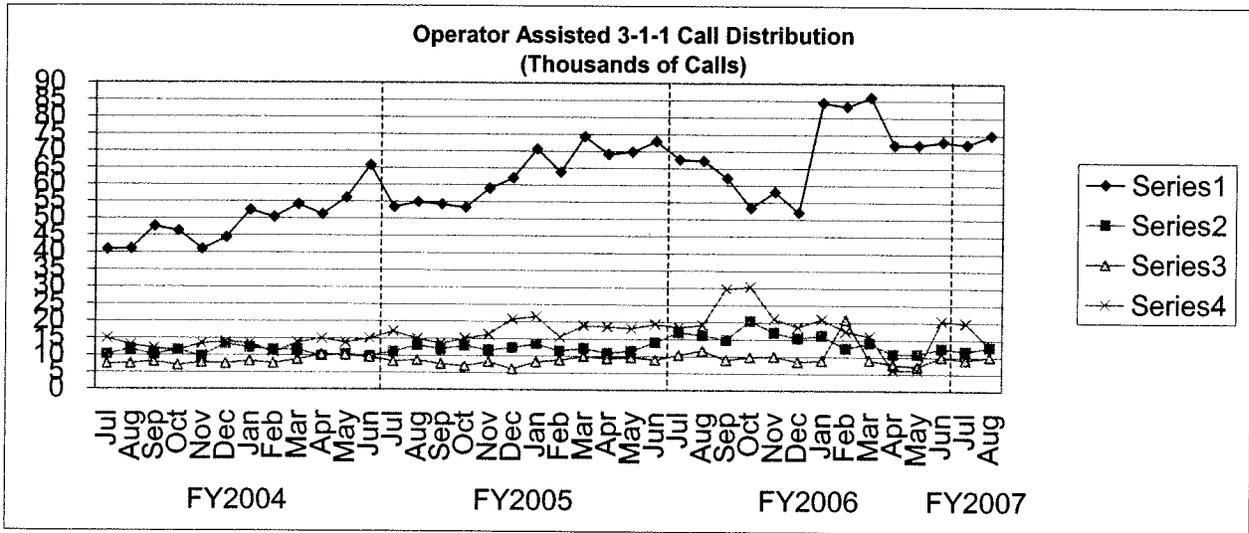
FY2007 Projected City of Houston General Fund Ending Cash Balances (In Millions \$)



TREND INDICATORS - MISCELLANEOUS



3-1-1 became fully operational in August 2001



4 largest users of operator assisted 3-1-1 calls.